

3rd February 1925]

APPENDIX II.

[Vide answer to question No. 4 asked by Mr. S. Satyamurti at the meeting of the Legislative Council held on the 3rd February 1925, page 15 supra.]

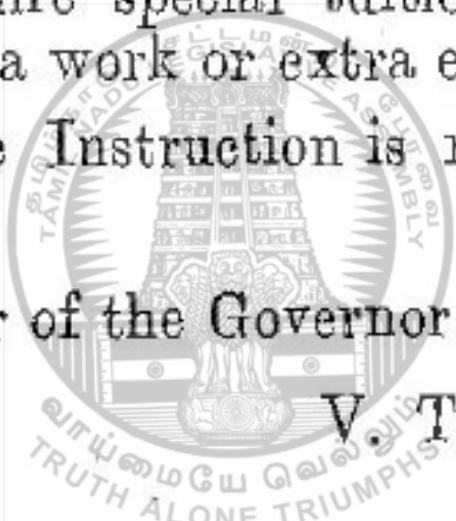
G.O. No. 1893, Law (Education), dated 4th December 1924.

The attention of the Government has recently been drawn to the differentiation in the rates of fees charged for European and Indian pupils in some of the European schools in the Presidency. The Government have made careful enquiries and find that, in a few of the cases the discrimination involved in the levy of higher fees from Indian pupils cannot be justified on the ground of extra work which the teachers have to do for such pupils.

2. The Government are unable to countenance a system which discriminates between pupils in the matter of fees on purely racial grounds. They desire to make it clear, however, that this prohibition does not prevent advantage being given in the matter of fees to children of any particular race, class or creed in cases where there are endowments or benefactions set apart for such children which it would not be proper to use for the benefit of others; nor does it bar the levy of extra fees from pupils who are so backward in English as to require special tuition, provided that such special tuition actually involves extra work or extra expense.

3. The Director of Public Instruction is requested to take steps to give effect to these orders.

(By order of the Governor in Council)



V. T. KRISHNAMA ACHARIYAR,
Secretary to Government.

To the Director of Public Instruction.

APPENDIX III.

(1) (a)

[Vide item IX (1) Communications to the Council at page 45 supra.]

Proceedings of the Ninth Meeting of the Finance Committee for 1924-25 held on Tuesday, the 2nd December 1924, at 2 p.m. at the Cabinet Chamber, Fort St. George.

PRESENT:

The hon. Mr. R. A. GRAHAM, C.S.I., I.C.S. (Chairman).

M.R.Ry. A. RAMASWAMI MUDALIYAR Avargal, M.L.C.

„ C. V. VENKATARAMANA AYYANGAR Avargal, M.L.C.

„ M. R. SETURATNAM AYYAR Avargal, M.L.C.

R. W. DAVIES, Esq., I.C.S., M.L.C.

Messrs. P. Hawkins, Chief Engineer for Irrigation, G. T. H. Bracken, Secretary, Development, and V. Panduranga Rao, Deputy Secretary, Local Self-Government, were also present.

[3rd February 1925]

I.—*Schemes for introduction in the present year.*—1. Construction of a shed for chronic patients in the Government Rayapuram Hospital buildings—

	Estimated cost.	Cost in 1924-25.
	RS.	RS.
Non-recurring	12,340	12,340

The proposal was recommended for acceptance.

2. Constructing a compound wall round the open land adjoining the Public Works Workshops and Stores buildings—

	Estimated cost.	Cost in 1924-25.
	RS.	RS.
Non-recurring	10,100	8,000

The Committee recommended the scheme for acceptance.

3. Construction of an approach road from the west side of the river Hagari in the Bellary district—

	Cost in 1924-25.
	RS.
Non-recurring	10,000

The Committee expressed the opinion that no expenditure should be incurred on an approach road to the Hagari bridge, until a final decision on the main question has been arrived at and the conversion of the railway bridge is in progress.

4. Experimental filters at Guindy—Making the establishment permanent—

	RS.
Recurring cost per annum	8,916

The proposal was recommended for acceptance.

5. Construction of a new tuberculosis ward on the Spur tank—

	Estimated cost.
	RS.
Non-recurring	2,57,900

The Committee recommended that the original design be adopted and 72 beds provided.

6. Leper Settlement—Tirumani—Additional buildings—

	RS.
Original estimate	3,00,000
Revised estimate	5,18,498

The revised proposals were recommended, subject to a further explanation as to the necessity for a post-mortem shed and for sex segregation in an elementary school.

3rd February 1925]

7. Grant for expenses in connexion with the third session of the Oriental Conference—

					RS.
Estimated cost	..	..	..	..	1,000
Cost in 1924-25	..	..	..	..	1,000

The proposal was recommended for acceptance.

8. Construction of Police lines at Palmaner in the Chittoor district —

Cost in 1924-25.

					RS.
Non-recurring	..	..	..	..	5,000

The proposal was recommended for acceptance.

9. Grant to the Madras Health Council for the celebration of the National Health and Baby Week in January 1925--

					RS.
Estimated cost	..	..	..	..	3,000
Cost in 1924-25	..	..	..	..	3,000

The Committee recommended the proposed expenditure.

10. Temporary Establishment in the Public Works Department—Re-organization of the--.

The proposal was recommended for acceptance.

II. *Supplementary demands.*—1. “41. Civil Works—Transferred.” Construction of a temporary roadway across the Coleroon at Trichinopoly—Rs. 30,000.

The Committee recommended that a demand for a supplementary grant be moved, but considered that Government should levy a toll to recoup the whole or a portion of the expense.

2. “55. Irrigation”—Cauvery floods—Works required for the Cauvery Irrigation system--1.23 lakhs.

The Committee recommended that a supplementary demand be moved, subject to a further scrutiny of the proposition statement.

3. Construction of a dissection block and mortuary for the new Medical school, Coimbatore—Provision for water fittings—Rs. 10,200.

The Committee recommended that a supplementary demand be moved.

III. *Civil Contingencies Fund.*—The Committee considered the desirability of the institution of a Civil Contingencies Fund or, in the alternative, the inclusion in the estimates of a reserve provision to meet urgent and unforeseen expenditure and expressed the opinion that it was undesirable to introduce either of the proposed alternatives.

IV. *Extension of cinchona cultivation on the Anamalais.*—At the third meeting of the Committee it was recommended that the scheme be adopted.

[3rd February 1925]

It was then suggested that the United Planters' Association of Southern India should be consulted as to whether private enterprise could provide the necessary bark.

Mr. Bracken explained that private enterprise could not be relied upon and that, if an adequate supply of bark was to be assured, the establishment of Government plantations was essential.

V. A note prepared by the Chief Engineer for Irrigation with regard to the breakdown of the Crossley oil-engine at the Divi pumping station was placed on the table.

FORT ST. GEORGE, }
3rd December 1924. }

R. A. GRAHAM.

(b)

Proceedings of the Tenth Meeting of the Finance Committee for 1924-25 held on Tuesday, the 6th January 1925, at 12-30 p.m. at the Cabinet Chamber, Fort St. George.



PRESENT:

The hon. Mr. R. A. GRAHAM, C.S.I., I.C.S. (Chairman).

M.R.Ry. C. V. VENKATARAMANA AYYANGAR Avargal, M.L.C.

„ A. RAMASWAMI MUDALIYAR Avargal, M.L.C.

„ P. N. MARTHANDAM PILLAI Avargal, M.L.C.

Rai Bahadur Sir K. VENKATAREDDI NAYUDU Garu, Kt., M.L.C.

R. W. DAVIES, Esq., I.C.S., M.L.C.

Mr. G. T. H. Bracken, Secretary to Government, Development Department, was also present.

Schemes for introduction in the current year.

1. Grant of bonus to the establishment employed on stamping weights and measures—

	RS.
Estimated cost	1,700
Cost in 1924-25	1,700

The Committee recommended the scheme for acceptance.

2. Reorganization of the Forest Utilization branch—

	RS.
Estimated cost	10,014
Cost in 1924-25	1,177½

The Committee recommended that the proposed establishment be appointed temporarily until the end of February 1926.

3rd February 1925.]

3. Employment of an additional Superintendent, Local Self-Government Department, Public Health branch—

	RS.
Estimated cost	4,000
Cost in 1924-25	330

The Committee recommended the scheme for acceptance.

4. Medical College, Madras—Additional staff—Anatomy Department—

	RS.
Estimated cost	6,528
Cost in 1924-25	1,400

The proposal was recommended for acceptance.

5. Continuance of the temporary appointment of the Director of Town-planning and pay of Mr. R. Dann.

The subject was adjourned for consideration to the 7th January 1925.

6. Arrangements for chemical research work in the Industries Department—

	RS.
Estimated cost	25,000
Cost in 1925-26	10,000

The Committee recommended the proposal for acceptance.

7. Reconstruction of the bridge across the Coleroon at Trichinopoly.

The subject was adjourned for consideration to the 7th along with the Public Works Department schemes.

*

*

*

*

Supplementary Demands.

8. "22-A. General Administration—Civil Secretariats—Charges common to all Secretariats"—Purchase of two new Ford Vans for circulation *cum* delivery service Rs 6,000

The Committee suggested that fresh inquiries might be made as to the comparative cost of the contract and departmental systems, and that tenders may be called for or quotations obtained.

9. "46. Stationery and Printing"—Cost of papers required in connexion with the scheme for the Record of Rights—

	RS.
Cost in 1924-25	4,300
Do. 1925-26	26,000

The Committee recommended the scheme for acceptance.

*

*

*

*

PART II SCHEMES FOR 1925-26.

10. The Committee next considered the Part II schemes for 1925-26 relating to the Law Department.

[3rd February 1925]

Mr. V. T. Krishnama Achariyar, Secretary to Government, Law Department, was present.

I. 9. Registration—

(a) Bifurcation of Kistna district for registration purposes—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	11,684	7,942
Non-recurring	750	750

The Committee recommended that the proposed creation of an additional post should be counter-balanced by the reduction of the number of District Registrars in the Ceded districts by one. They also recommended that the division of Guntur, Kistna and Gōdāvari West into three Registration districts be considered.

(b) Opening of seven new sub-registry offices in the following places:—

- | | |
|------------------|--------------|
| 1. Alanganallur. | 5. Uttukuli. |
| 2. Pudukkottai. | 6. Chebrolu. |
| 3. Kankipadu. | 7. Settur. |
| 4. Mandapeta. | |

Estimated cost.	Provision in 1925-26.
RS.	RS.
17,120	10,549

The Committee placed items 1 and 6 in class II and items 2 to 5 and 7 in class III.

II. 22. General Administration—

Purchase of English Law Reports and Law Books for the drafting section of the Law department—

	RS.
Estimated cost	3,500
Provision in 1925-26	3,500

The proposal was placed in class II.

III. 24. Administration of Justice—

(a) Opening of a temporary Sub-Court at Vizagapatam—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	11,541	7,800
Non-recurring	1,000	1,000

The Committee placed the scheme in class III

(b) Bifurcation of the Kistna district—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	33,455	32,308
Non-recurring	2,49,000	9,000

3rd February 1925]

The Committee recommended that the present system of one District Judge and six Sub-Judges should be continued in preference to the proposed creation of an extra post of District Judge in the place of one Sub-Judge.

IV. 31. Education—

1. The Committee placed the following schemes in class II:—

(a) Opening of a new Elementary school at Chidumuru, Bhadrachalam taluk (Agency) (Temporary for one year)—

	Estimated cost.	Provision in 1925-26.
	RS.	RS.
Recurring	398	177
Non-recurring	100	100

(b) Employment of an additional Sub-Assistant Inspectress of Girls' Schools in Kistna—

	RS.
Estimated cost	5,120
Cost in 1925-26	3,950

(c) Opening of a weaving class in the Junior certified school, Ranipet—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	600	560
Non-recurring	690	690

2. Reorganization of Industrial classes in the Reformatory school, Chingleput—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	600	400
Non-recurring	3,400	3,400

The Committee placed the scheme in class II at a cost of Rs. 2,700 under 'non-recurring expenditure' and recommended that gardening being omitted.

3. Opening of higher standards in the model school attached to the Government training school for Masters, Dindigul—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	1,710	315
Non-recurring	2,550	390

The proposal was originally placed in class II by the Committee but on reconsideration was placed in class III.

* * * *

[3rd February 1925]

4. The following schemes were placed in class III :—

(a) Opening of a Government school of Commerce in the Northern Circars—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	10,100	5,800
Non-recurring	7,500	7,500

(b) Government Training School, Berhampur—Admission of an additional batch of 40 students of the Lower Elementary Grade—

	RS.
Estimated cost	4,600
Provision in 1925-26	3,100

(c) Government Training School, Chicacole—Admission of an additional batch of 40 students of the Higher Elementary Grade—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	6,040	4,060
Non-recurring	550	550

(d) Transfer of 8 posts from the Subordinate Educational Service to the Madras Educational Service—

	RS.
Estimated cost	35,095
Cost in 1925-26	1,200

(e) Substitution of a post of Assistant Lecturer in Physics in the Subordinate Educational Service (Collegiate branch) for the temporary post of tutor in Physics in the Uded Districts College, Anantapur—

	RS.
Estimated cost	1,125
Cost in 1925-26	250

(f) Opening of a Higher Elementary Training class in the Government Training School for Muhammadan Women, Guntur—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	2,957	1,520
Non-recurring	455	455

(g) Medical Inspection of schools—Government—

	RS.
Estimated cost	3,100
Cost in 1925-26	4,500

3rd February 1925]

(h) Opening of a Secondary Training class in the Higher Elementary Training School, Chicacole—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	4,180	2,850
Non-recurring	750	750

(i) Opening of Mathematics and Science classes in the Government Muhammadan Secondary School, Kurnool—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	2,052	1,096
Non-recurring	1,250	1,250

(j) Opening of form VI in the Government Secondary School for Girls, Vellore—

	Estimated cost.	Provision in 1925-26.
	RS.	RS.
Recurring	2,714	1,340
Non-recurring	700	700

(k) Annual admissions in the Government Training School for Masters, G. Udayagiri—Additional staff—

	RS.
Estimated cost	3,703
Cost in 1925-26	2,300

(l) Scholarships to England—

	RS.
Cost in 1925-26	8,600

(m) College of Engineering—Institution of a project course—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	3,200	3,200

(n) Additional Deputy Inspectors and Supervisors for the Agency—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	5,400	3,100
Non-recurring	200	200

(o) Opening of a secondary training class attached to the aided secondary school, Srirangam—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	6,040	4,090
Non-recurring	710	710

[3rd February 1925]

(p) Grants to the Boy Scout Association, Madras—

	RS.
Estimated cost	10,000
Provision in 1925-26	10,000

(q) Grants for vocational education (both local and private bodies)—

	Estimated cost.	Provision in 1925-26
	RS.	RS.
Recurring	36,402	40,000
Non-recurring	70,204	75,000
*	*	*

5. Appointment of a District Educational Officer and establishment consequent on the bifurcation of the Kistna district—

	Estimated cost.	Provision in 1925-26.
	RS.	RS.
Recurring	10,870	5,600
Non-recurring	500	500

The Committee were of the opinion that there is no objection to the creation of a post for the new district of Gōdāvari West provided that, as they were informed was contemplated, a post is abolished elsewhere. On this understanding no provision is required in Part II.

6. Opening of higher forms in the Government Muhammadan Middle School, Georgetown—

	Estimated cost.	Provision in 1925-26.
	RS.	RS.
Recurring	7,046	2,020
Non-recurring	1,565	1,565

The Committee considered that the cost of the scheme should not be laid on Provincial revenues.

7. Certification under the Children Act of two private schools for girls—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	3,700	3,700
Non-recurring	500	500

The Committee did not recommend the scheme for acceptance.

8. Grants for furniture and other special subjects—Non-European Colleges and Secondary and Special schools—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Non-recurring	2,07,600	2,07,600

3rd February 1925]

The Committee recommended a sum of Rs. 50,000 and placed the scheme in class II.

9. Building and Hostel grants—Non-European Colleges, Secondary and Special schools—

	Estimated cost.	Provision in 1925-26.
	RS.	RS.
Non-recurring	7,66,629	2,81,000

The Committee recommended the grant of a sum of one lakh of rupees and placed the proposal in class II.

10. Building grants—European schools—

	RS.
Estimated cost	2,10,000
Cost in 1925-26	55,300

The Committee recommended the grant of Rs. 20,000 and placed the scheme in class II.

11. Equipment grants—European schools—

	RS.
Estimated cost	5,000
Cost in 1925-26	5,000

The Committee considered that the provision made under Part I was sufficient and did not recommend any further grant.

Grants to local bodies.

12. Subsidies to local bodies for the construction of secondary school buildings—

	RS.
Estimated cost	3,73,780
Cost in 1925-26	1,50,000

The Committee recommended a provision of Rs. 50,000 and placed the scheme in class II.

13. Subsidies for local bodies for equipment of secondary schools—

	RS.
Estimated cost	25,000
Cost in 1925-26	15,000

The Committee recommended that a sum of Rs. 5,000 be provided and placed the proposal in class II.

14. Grant for extensions to the board secondary school buildings, Jéypore—Agency—

	RS.
Estimated cost	12,500
Cost in 1925-26	12,500

The Committee placed the scheme in class III.

[3rd February 1925]

15. Medical Inspection of private schools—

Estimated cost.	Cost in 1925-26.
RS.	RS.
15,350	8,350

The scheme was placed in class III.

16. Subsidies to local bodies for revision of salaries, opening of higher forms and employment of additional staff in secondary schools the net cost of which is borne by Government—

	Estimated cost.	Provision in 1925-26.
	RS.	RS.
Recurring	46,342	45,000
Non-recurring	2,000	2,000

The Committee recommended that Rs. 5,000 be provided and placed the scheme in class II.

17. Expansion of Elementary Education—Opening of additional schools under local bodies—

	Estimated cost.	Provision in 1925-26.
	RS.	RS.
Recurring	2,92,800	1,95,200
Non-recurring	1,01,700	1,01,700

The Committee recommended the provision of Rs. 2 lakhs and placed the proposal in class II.

*

*

*

*

V. 37. Miscellaneous Departments—

The following schemes were placed in class II :—

(1) (a) Purchase and assignment of land—Madiga Settlement—Bellary district—

	RS.
Estimated cost	1,786
Provision for 1925-26	1,786

(b) Additional establishment for the Labour Department in Tanjore and other districts—

	RS.
Estimated cost	6,000
Provision for 1925-26	4,103

(c) Appointment of a store clerk in the office of the Kallar Special Officer, Madura—

	RS.
Estimated cost	570
Provision for 1925-26	385

3rd February 1925]

(h) Opening of a Secondary Training class in the Higher Elementary Training School, Chicacole—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	4,180	2,850
Non-recurring	750	750

(i) Opening of Mathematics and Science classes in the Government Muhammadan Secondary School, Kurnool—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	2,052	1,096
Non-recurring	1,250	1,250

(j) Opening of form VI in the Government Secondary School for Girls, Vellore—

	Estimated cost.	Provision in 1925-26.
	RS.	RS.
Recurring	2,714	1,340
Non-recurring	700	700

(k) Annual admissions in the Government Training School for Masters, G. Udayagiri—Additional staff—

	RS.
Estimated cost	3,703
Cost in 1925-26	2,300

(l) Scholarships to England—

	RS.
Cost in 1925-26	8,600

(m) College of Engineering—Institution of a project course—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	3,200	3,200

(n) Additional Deputy Inspectors and Supervisors for the Agency—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	5,400	3,100
Non-recurring	200	200

(o) Opening of a secondary training class attached to the aided secondary school, Srirangam—

	Estimated cost.	Cost in 1925-26.
	RS.	RS.
Recurring	6,040	4,090
Non-recurring	710	710

[3rd February 1925]

(f) Reclamation of Vaduvurupatti Koravas of the Ramnad district—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	1,860	1,860
Non-recurring	2,100 plus 500 floating capital.	2,100 plus 500 floating capital.

(3) Allotment for wells, pathways for depressed classes—

	RS.
Estimated cost	2,75,890
Provision for 1925-26	2,75,890

The Committee recommended the provision of a sum of Rs. 1 lakh and placed the scheme in class II—

VI. 41. Civil Works—Public Works Department—

9. Registration Buildings—

(1) The Committee placed the following schemes in class II:—

(a) Construction of offices and quarters for the sub-registrar and clerks, Buguda, Ganjam district—

	RS.
Estimated cost	12,800
Provision for 1925-26	5,000

(b) Construction of a sub-registry office and quarters for the sub-registrar and three clerks at Boyirani—

	RS.
Estimated cost	17,000
Provision for 1925-26	5,000

(c) Construction of building for the sub-registry office, Valikandapuram, Trichinopoly district—

	RS.
Estimated cost	10,400
Provision for 1925-26	10,000

(2) The following schemes were placed in class III:—

(a) Quarters for the sub-registrar and his establishment at Coonoor—

	RS.
Estimated cost	11,200
Provision for 1925-26	11,200

(b) Construction of a sub-registry office at Perampara, Tellicherry district—

	RS.
Estimated cost	11,250
Provision for 1925-26	8,000

3rd February 1925]

(c) Construction of a District Registrar's office at Masulipatam—

	RS.
Estimated cost	48,700
Provision for 1925-26	10,000

(d) Construction of a second-class sub-registry office at Acharapakkam—

	RS.
Estimated cost	10,000
Provision for 1925-26	10,000

* * * * *

Administration of Justice Buildings—

(3) The following schemes were placed in class III:—

(a) Construction of a court-house for the District Judge, Sub-Judge and District Munsif, Vizagapatam—

	RS.
Estimated cost	3,50,000
Provision for 1925-26	50,000

(b) Construction of a court-house at Calicut for the Sub-Judge, Calicut, and the District Munsif, Vayittiri—

	RS.
Estimated cost	1,12,400
Provision for 1925-26	30,000

(c) Construction of a residence for the District Judge, Anantapur—

	RS.
Estimated cost	36,000
Provision for 1925-26	25,000

* * * * *

Jails and Convict Settlements Buildings—

(4) (a) Construction of a new main gate with offices, etc., complete in the Central Jail, Coimbatore—

	RS.
Estimated cost	24,955
Provision for 1925-26	24,955

The Committee placed the scheme in class I.

(b) The following schemes were placed in class III:—

(i) Construction of an extramural ward of six cells for female prisoners in the District Jail, Palamcottah—

	RS.
Estimated cost	14,730
Provision for 1925-26	10,000

[3rd February 1925]

(ii) Electrification of the Central Jail, Vellore—

	RS.
Estimated cost	31,000
Provision for 1925-26	31,000

(iii) Construction of a Tuberculosis jail at Bellary.

	RS.
Estimated cost	1,00,000
Provision for 1925-26	1,00,000

(iv) Provision of Mangalore tiled verandas in the Borstal School, Tanjore—

	RS.
Estimated cost	11,335
Provision for 1925-26	6,000

(v) Construction of quarantine cells and cells for under-trial prisoners, Bellary—

	RS.
Estimated cost	76,200
Provision for 1925-26	30,000

*

*

*

Education Buildings—

(5) (a) The following schemes were placed in class III :—

(i) Extensions to the buildings of the Government Victoria College, Palghat—

	RS.
Estimated cost	22,500
Provision for 1925-26	11,250

(ii) Construction of science buildings for the Queen Mary's College for Women—

	RS.
Estimated cost	4,99,000
Provision for 1925-26	2,00,000

(iii) Construction of quarters for the District Educational Officer, Coimbatore—

	RS.
Estimated cost	19,200
Provision for 1925-26	10,000

(b) Improvements to the Government Secondary school building, Kurnool, and construction of additional sheds—

	RS.
Estimated cost	4,000
Provision for 1925-26	4,000

3rd February 1925]

The Committee placed the scheme in class II.

VII. 60. *Civil Works*—

(a) *Jails and Convict Settlements*—

Remodelling of the Penitentiary, Madras—

	RS.
Estimated cost	13,41,178
Provision for 1925-26	2,35,000

The Committee placed the scheme in class III.

(b) *Administration of Justice*—

Construction of a separate block—Court of Small Causes,
Madras—

	RS.
Estimated cost	5,56,000
Provision for 1925-26	1,00,000

The scheme was placed in class III.

VIII. 46. *Stationery and Printing*—

Preparation of a register of holdings for registration purposes—

	RS.
Estimated cost	26,000
Provision for 1925-26	26,000

The scheme was placed in class II.

FORT ST. GEORGE, }
8th January 1925. }

R. A. GRAHAM.

(c)

*Proceedings of the Eleventh Meeting of the Finance Committee
for 1924-25 held on Wednesday the 7th January 1925
at 11-30 a.m. at the Cabinet Chamber, Fort St. George.*

PRESENT:

The hon. Mr. R. A. GRAHAM, C.S.I., I.C.S. (*Chairman*).

M. R. Ry. A. RAMASWAMI MUDALIYAR Avargal, M.L.C.

„ C. V. VENKATARAMANA AYYANGAR Avargal, M.L.C.

„ M. R. SEIURATNAM AYYAR Avargal, M.L.C.

„ P. N. MARTHANDAM PILLAI Avargal, M.L.C.

Rai Bahadur Sir K. VENKATAREDDI NAYUDU Garu, Kt., M.L.C.

R. W. DAVIES, Esq., I.C.S., M.L.C.

Messrs. E. W. Leish, Secretary to Government, Revenue Department, M. R. Kharegat, Secretary to Government, Public Works Department, P. L. Moore, Secretary, Local Self-Government, G. T. H. Bracken, Secretary to Government, Development

[3rd February 1925]

Department, H. Tireman, Chief Conservator of Forests, C. S. Martin, Chief Forest Engineer, R. D. Anstead, Director of Agriculture, and P. Hawkins, Joint Secretary to Government, Public Works Department, were also present.

Schemes for introduction in the current year.

1. Reconstruction of the bridge across the Coleroon at Trichinopoly—

	RS.
Estimated cost	13,16,000
Cost in 1924-25	80,000
Provision for 1925-26	5,00,000

The Committee recommended that as the bridge is to be constructed on the contract system and not departmentally, the demand for the current year may be revised.

In 1925-26 a provision of 5 lakhs may be made for the Coleroon bridge under major head 60.

2. Continuance of the temporary appointment of the Director of Town-planning of Mr. R. Dann—

	RS.
Estimated cost	1,850
Extra cost in 1924-25	710

The Committee recommended the scheme for acceptance.

3. Formation of Circles for the Boiler Inspectorate—

	Recurring.	Non-recurring.
	RS.	RS.
Estimated cost (based on average cost).	4,424 (net)	2,300
Extra provision in 1925-26, Rs. 8,200.		

The Committee recommended the scheme for acceptance.

4. Construction of a causeway across the Kabbani river—

	Estimated cost.	Cost in 1924-25.
	RS.	RS.
Recurring	500	5,100
Non-recurring	29,200	
Provision for 1925-26, Rs. 24,100.		

The Committee recommended the scheme for acceptance.

* * * * *

Supplementary demands.

5. "22-B.—General Administration—Legislative Bodies—Provincial Legislative Council—Travelling Allowance"—Travelling allowance to Members of Legislative Council Rs. 35,000

The Committee recommended that a supplementary demand be moved.

3rd February 1925]

PART II SCHEMES FOR 1925-26.

5-A. The following Part II schemes relating to the Revenue Department were considered :—

(a) Restoration of Land Records Tahsildars—

	RS.
Estimated cost	1,12,450
Cost in 1925-26	87,162

Of the 24 officers demanded, the Committee recommended that 12 officers might be placed in class II and 12 officers in class III.

(b) The following schemes were placed in class II :—

(i) Purchase of a perforating machine for the Madras Stamp office—

	RS.
Estimated cost	350
Provision for 1925-26	350

(ii) Purchase of a power machine for embossing cheques for the Madras Stamp office—

	RS.
Estimated cost	5,100
Provision for 1925-26	5,100

(c) The Committee placed the following scheme in class III :—

Revision of District Gazetteers—

	RS.
Estimated cost	1,61,028
Provision for 1925-26	42,017

(d) (i) Construction of quarters for the Inspector of Excise, Sankaridrug circle—

	RS.
Estimated cost	15,630
Cost in 1925-26	15,630

The Committee placed the scheme in class II.

(ii) Construction of quarters for the Assistant Commissioner of Excise, Vellore—

	RS.
Estimated cost	14,430
Cost in 1925-26	14,430

The scheme was placed in class III.

(e) (1) The Committee placed the following schemes in class III :—

(i) Construction of Narasannapetta Deputy Tahsildar's office, Ganjam district—

	RS.
Estimated cost	32,000
Cost in 1925-26	5,000

[3rd February 1925]

(ii) Extensions of Sattenapalle Taluk Office record-room, Guntur district—

	RS.
Estimated cost	11,500
Cost in 1925-26	11,500

(iii) Improvements to the Collector's office, Tinnevely—

	RS.
Estimated cost	1,55,000
Cost in 1925-26	15,000

(2) The Committee placed the following scheme in class II:—

Construction of a new Taluk office, Ramnad—

	RS.
Estimated cost	82,000
Cost in 1925-26	20,000

(f) The Committee placed the following schemes in class III:—

(a) Metalling Korada-Komatlapeta Central Provinces Road (37—40 miles)—

	RS.
Estimated cost	27,000
Provision in 1925-26	24,000

(b) Constructing a girder bridge at 3/3 of Koraput-Borigumma road—

	RS.
Estimated cost	26,500
Provision in 1925-26	15,000

(c) Constructing a girder bridge at one-fourth of Koraput-Borigumma road—

	RS.
Estimated cost	18,900
Cost in 1925-26	10,000

* * * * *

Schemes relating to Public Works Department.

6. (a) Construction and equipment of an electric testing Laboratory, Chepauk—

	RS.
Estimated cost	44,500
Provision for 1925-26	22,000

The scheme was placed in class II.

(b) The following schemes were placed in class III:—

(i) Constructing quarters for the Executive Engineer, Vellore—

	RS.
Estimated cost	19,200
Provision for 1925-26	15,000

3rd February 1925]

(ii) Construction of motor garages and coach houses for the offices located in the old Engineering College building at Chepauk—

				RS.
Estimated cost	..	..	..	13,500
Provision for 1925-26	..	..	..	13,500

(iii) Constructing a rest-house at Mangalore—

				RS.
Estimated cost	..	..	..	19,200
Provision for 1925-26	..	..	..	10,000

(iv) Constructing an inspection bungalow at Sembliguda in Koraput Agency—

				RS.
Estimated cost	..	..	..	11,500
Provision for 1925-26	..	..	..	10,000

(c) The Committee placed the following schemes in class II :—

(i) Construction of a Public Works Department Subdivision and Overseer's office at Narasapur—

				RS.
Estimated cost	..	..	..	12,400
Provision for 1925-26	..	..	..	6,000

(ii) Constructing an office and quarters for the Public Works Department Subdivisional officer at Pollachi—

				RS.
Estimated cost	..	..	..	18,800
Provision for 1925-26	..	..	..	15,000

(d) The following schemes were placed in class III :—

(i) Improvements to the third and fourth sections of Tellicherry-Coorg road—

				RS.
Estimated cost	..	..	..	76,000
Provision for 1925-26	..	..	..	48,000

(ii) Construction of bridges across the Gubbalamanji vagu and Seetha vagu—

				RS.
Estimated cost	..	..	..	44,400
Provision for 1925-26	..	..	..	8,000

(iii) Widening the Paralai Castlecroft road, Anamalais—

				RS.
Estimated cost	..	..	..	45,350
Provision for 1925-26	..	..	..	23,000

(e) Diversion of Jeypore-Kottah road to the right of the Kolab river—

				RS.
Estimated cost	..	..	..	54,000
Provision for 1925-26	..	..	..	15,000

[3rd February 1925]

The Committee suggested that, as this work was supplementary to the Kolab bridge, the two works should be taken up together as part of a single scheme.

7. *Schemes relating to the Local Self-Government Department—*

(a) (i) Appointment of a Personal Assistant to the Registrar-General of Panchayats—

	RS.
Estimated cost	9,194
Provision for 1925-26	4,400

The scheme was placed in class II.

(ii) Additional staff for the Registrar-General of Panchayats—

	RS.
Estimated cost	2,400
Provision for 1925-26	2,200

The Committee placed the scheme in class II.

* * * *

(b) The Committee placed the following schemes in class II :—

(i) Employment of a temporary Superintendent in the Surgeon-General's office for the revision of the Civil Medical Code—

	RS.
Estimated cost	1,125
Provision for 1925-26	1,125

(ii) Training of two Civil Assistant Surgeons and one Sub-Assistant Surgeon in Dental Surgery for six months—

	RS.
Estimated cost	3,280
Provision for 1925-26	3,280

(iii) Supply of furniture to the hostel attached to the Medical School, Coimbatore—

	RS.
Estimated cost	1,200
Provision for 1925-26	1,200

(iv) Improvement of bedding in the Mental Hospital, Madras—

	RS.
Estimated cost	10,500
Provision for 1925-26	10,500

(v) Training of an Assistant Surgeon and a Sub-Assistant Surgeon in X-Rays—

	RS.
Estimated cost	2,620
Provision for 1925-26	2,620

3rd February 1925]

(vi) Additional staff and equipment for infectious diseases wards in the headquarter hospital, Vizagapatam—

	Recurring.	Non-recurring.
	RS.	RS.
Estimated cost	2,811	10,346
Provision for 1925-26	2,154	10,346

(c) The following schemes were placed in class III :—

(i) Employment of a Lady Tutor in the Medical College, Madras (Lady Civil Assistant Surgeon)—

	RS.
Estimated cost	4,728
Provision for 1925-26	2,000

(ii) Scholarship to a Lady Medical Graduate for higher study in the United Kingdom—

	RS.
Estimated cost	10,500
Provision for 1925-26	3,100

(iii) Opening of new dispensaries at Paderu and Narayanapatnam in the Agency—

	RS.
Estimated cost	7,322
Provision for 1925-26	7,100

(iv) Building grants to private hospitals—

	RS.
Estimated cost	1,25,781
Provision for 1925-26	50,000

Grants to local bodies.

(d) Grants for the construction of Local Fund and Municipal Hospital buildings (Transferred)—

	RS.
Demand for 1925-26	59,900

The Committee recommended the provision of Rs. 30,000 and placed the scheme in class II.

(e) Grants for the construction of Local Fund and Municipal Hospital buildings—Reserved—Agency—

	RS.
Demand for 1925-26	3,750

The Committee recommended the provision of Rs. 2,250 in class II and Rs. 1,500 in class III.

* * * *

(f) The following schemes were placed in class II :—

(i) Increasing the number of selection grade appointments of Health Inspectors to 10 per cent—

	RS.
Estimated cost	6,528
Provision for 1925-26	660

[3rd February 1925]

(ii) Experimental sewage disposal plant in the Engineering College,
Guindy—

	Recurring.	Non-recurring.
	RS.	RS.
Estimated cost	4,200	850
Provision for 1925-26	4,050	850

(g) Grants to the Madras Health Council including Child Welfare
show—

	RS.
Estimated cost	10,000
Provision for 1925-26	10,000

The Committee recommended a grant of Rs. 5,000 in class II.

(h) The following schemes were placed in class III :—

(i) Training of four lady visitors at the school for health workers,
Madras—

	RS.
Estimated cost	1,960
Provision for 1925-26	1,600

(ii) Anti-malarial Brigade, Vizagapatam Agency—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	7,700	5,600
Non-recurring	1,000	1,000

(iii) Appointment of additional Municipal Health Officers—

	RS.
Estimated cost	26,600
Provision for 1925-26	9,400

(iv) Additional Health Inspectors and Vaccinators in the Agency—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	19,000	16,600
Non-recurring	1,400	1,400

(v) Additional Health Inspectors and peons—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	20,704	15,115
Non-recurring	1,920	1,920

(i) New drainage scheme—Srirangam and Tirupati—

	RS.
Total cost	2,75,000
Demand for 1925-26	60,000

3rd February 1925]

The Committee placed the scheme in class III.

(j) The Committee placed the following schemes in class II :—

(a) Non-recurring grants to local bodies for roads and bridges—

	RS.
Demand	3,70,730

(b) Bridging of rivers in the Vizagapatam district—Construction of a road dam at Cheddigumala Gedda—

	RS.
Demand	6,000

8. (i) The Committee placed the following schemes in class III :—

(a) Additions and improvements to the building of Headquarter Hospital, Tanjore X-Ray operation block and midwifery teaching annexe—

	RS.
Estimated cost	76,600
Provision for 1925-26	20,000

(b) Construction of a dissecting block and mortuary in the Tanjore Medical school—

	RS.
Estimated cost	90,440
Provision for 1925-26	15,000

(ii) The following schemes were placed in class II :—

(a) Erection of an electric lift in the General Hospital, Madras—

	RS.
Estimated cost	3,200
Provision for 1925-26	3,200

(b) Acquisition of Mission Hospital buildings for the Headquarter Hospital, Calicut—

	RS.
Estimated cost	39,400
Provision for 1925-26	39,400

(iii) Construction of compound wall for the Rayapuram Medical School Hostel—

	RS.
Estimated cost	7,280
Provision for 1925-26	7,280

The Committee placed the scheme in class III under major head 60.

(iv) Construction of morgue and freezing chamber for the Rayapuram Hospital—

	RS.
Estimated cost	15,000
Provision for 1925-26	15,000

[3rd February 1925]

The Committee placed the scheme in class II under major head 60.

					RS.
9.	(a)	Compassionate grants to District and Taluk Boards in 1925-26	..	..	63,000
	(b)	Temporary advances to District and Taluk Boards	..	..

The Committee placed the scheme in class II.

10. Construction of a Medical School and hospital buildings at Guntur—

					RS.
		Estimated cost	..	..	9,10,500
		Provision for 1925-26	..	..	1,00,000

The scheme was placed in class II.

Schemes relating to the Development Department.

11. (i) The Committee placed the following schemes in class II :—

(a) Mount Stuart Ghat Road extension—

Recurring. Non-recurring.

				RS.	RS.
		Estimated cost	..	3,000	1,11,200
		Provision for 1925-26	..	..	37,500 *

(b) Construction of buildings for housing the staff in the Mount Stuart forests

					RS.
		Estimated cost	..	..	54,000
		Provision for 1925-26	..	..	54,000

(ii) The following schemes were placed in class III :—

(a) Employment of eighteen Chenchus as Police Talaiyaris in the Nallamalais—

					RS.
		Estimated cost	..	..	2,160
		Provision for 1925-26	..	..	1,800

(b) Construction of quarters and water-supply for the staff in the Nallamalai forests—

Recurring. Non-recurring.

					RS.	RS.
		Estimated cost	..	..	720	5,100
		Provision for 1925-26	..	..	600	5,100

(c) Formation of working plans circle—

Estimated cost. Provision for 1925-26.

					RS.	RS.
		Recurring	..	..	1,67,229	10,800

(d) Construction of residences for District Forest Officers—

					RS.
		Estimated cost	..	..	69,000
		Provision for 1925-26	..	..	69,000

* To be debited to "8. Forest."

3rd February 1925]

(e) Provision of mechanical transport in the Nallamalai forests (Road to Diguvametta).—

				Estimated cost.	Provision for 1925-26.
				RS.	RS.
Recurring	..	..	..	27,000	13,500
Non-recurring	..	..	..	67,000	47,000
*		*		*	*

Agricultural Department.

12. (i) The Committee placed the following schemes in class II;—

(a) Additional staff for the Millet Specialist—

					RS.
Estimated cost	..	..	..	..	3,980
Provision for 1925-26	..	..	..	..	2,805

(b) Scheme for the investigation of betel vine disease—

				Estimated cost.	Provision for 1925-26.
				RS.	RS.
Recurring	..	..	..	13,481	2,700
Non-recurring	..	..	..	1,250	1,250

(c) Construction of quarters for the staff at the Potato farm, Nanjanad—

					RS.
Estimated cost	..	..	..	..	7,000
Provision for 1925-26	..	..	..	..	7,000

(ii) Appointment of 20 Upper Subordinates in the Agricultural Department—

					RS.
Estimated cost	..	..	..	..	43,620
Provision for 1925-26	..	..	..	..	25,900

The Committee recommended the appointment of 7 Upper Subordinates in class II.

(iii) The following schemes were placed in class III:—

(a) Experiments on the preservation of soil moisture in the Ceded districts in 1925-26—

				Estimated cost.	Provision for 1925-26.
				RS.	RS.
Recurring	..	..	..	1,891	1,535
Non-recurring	..	..	..	1,000	1,000

(b) Appointment of a Professor of English and 3 pandits for the Agricultural College, Coimbatore—

					RS.
Estimated cost	..	..	..	..	5,176
Provision for 1925-26	..	..	..	..	2,800

[3rd February 1925]

(c) Removal of lantana in the Pondokole Muttu of the Ganjam district—

	RS.
Estimated cost.. .. .	1,750
Provision for 1925-26.. .. .	1,000

(d) Revival of the Bacteriological section at the Agricultural College and Research Institute, Coimbatore, as a separate unit—

	RS.
Estimated cost.. .. .	1,290
Provision for 1925-26.. .. .	985

(e) Establishment of a paddy breeding station in the Kistna delta—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	19,806	9,257
Non-recurring	1,24,000	89,450

(iv) Quarters for the Deputy Director of Agriculture, Madura—

	RS.
Estimated cost	28,350
Provision for 1925-26	10,000

The Committee placed the scheme in class III.

(v) Construction of 4 Provincial officers' quarters and 55 subordinates' quarters at the Agricultural College, Coimbatore—

	RS.
Estimated cost	96,000
Provision for 1925-26	96,000

The Committee recommended that the following quarters might be placed in class II :—

Three "D" type.
Ten "E" type.
Twenty "F" type.

The rest of the quarters were placed in class III.

13. (i) Construction of permanent buildings for the Veterinary dispensaries at Adoni and Tiruppur and for the acquisition of site for the construction of a hospital at Kumbakonam—

	RS.
Estimated cost	32,600
Provision for 1925-26	30,660

The Committee placed Adoni and Tiruppur in class II and Kumbakonam in class III.

3rd February 1925]

(ii) Construction of additional buildings at the Madras Veterinary College—

	RS.
(1) Dressing shed	5,920
(2) Dissecting room	9,920
(3) Operation shed	2,210
(4) Miscellaneous charges	3,950

The Committee placed items Nos. (2), (3) and (4) in class II and item No. (1) in class III.

14. Mount Stuart Ghat road extension—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	3,000	..
Non-recurring	1,11,200	37,500 *

The Committee placed the scheme in class II.

Schemes relating to the Irrigation Department.

15. (i) The Committee placed the following schemes in class II, under major head 15:—

(a) Improvements to Musiri Nattu voikal, Trichinopoly—

	RS.
Estimated cost	43,000
Provision for 1925-26	20,000

(b) Restoring the Melmoyal tank, North Arcot district—

	RS.
Estimated cost	35,600
Provision for 1925-26	10,000

(ii) The following schemes were placed in class II under major head 55:—

(a) Combining the Thellur large and small tanks, Cheyyar Anicut system, North Arcot division—

	RS.
Estimated cost	26,518
Provision for 1925-26	15,000

(b) Veeranam tank improvements, South Arcot division—

	RS.
Estimated cost	1,79,000
Provision for 1925-26	40,000

(c) Minor works in Godavari, etc., systems—

	RS.
Estimated cost	38,900
Provision for 1925-26	25,440

* To be debited to Loan funds under ' 52-A '.

[3rd February 1925]

(d) Minor works—Unproductive Rushikulya, etc., systems—

	RS.
Estimated cost	12,630
Provision for 1925-26	10,500

(e) Improvements to Allur swamp drain—

	RS.
Estimated cost	2,90,000
Provision for 1925-26	50,000

(f) Basavannah channel improvements, Bellary division—

	RS.
Estimated cost	3,21,500
Provision for 1925-26	1,00,000

16. The following schemes were withdrawn by the concerned departments:—

- (1) Construction of a residence for the Revenue Divisional Officer, Vizianagram.
- (2) Construction of combined office and quarters for two rangers at Balliguda.
- (3) Construction of a building for an elementary school at the Agricultural College, Coimbatore.

FORT ST. GEORGE, }
11th January 1925. }



R. A. GRAHAM.

(d)

Proceedings of the Twelfth Meeting of the Finance Committee for 1924-25 held on Thursday, the 8th January 1925 at 12 noon at the Cabinet Chamber, Fort St. George.

PRESENT:

The hon. Mr. R. A. GRAHAM, C.S.I., I.C.S. (Chairman).
M.R.Ry. C. V. VENKATARAMANA AYYANGAR Avargal, M.L.C.
„ A. RAMASWAMI MUDALIYAR Avargal, M.L.C.
„ P. N. MARTHANDAM PILLAI Avargal, M.L.C.
„ M. R. SETURATNAM AYYAR Avargal, M.L.C.
R. W. DAVIES, Esq., I.C.S., M.L.C.

Messrs. V. T. Krishnama Acharyar, Secretary to Government, Law Department, E. M. Gawne, Deputy Secretary to Government, Chief Secretariat, G. T. H. Bracken, Secretary to Government, Development Department, E. F. Thomas, Director of Industries, and F. Armitage, Inspector-General of Police, were also present.

3rd February 1925]

1. Timber Depot—Beyppore—Improvement of facilities for handling and storing logs—

	Recurring.	Non-recurring.
	RS.	RS.
Estimated cost	15,700 (including interest on Capital and supervision charges).	15,000
Provision for 1925-26 ..	13,608 (excluding interest on Capital and supervision charges).	15,000

The Committee placed the scheme in class III.

2. (a) The following schemes were placed in class II :—

(i) Woollen spinning mill, Bellary Central Jail—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	7,000	7,000

(ii) Carpentry school at the Penitentiary, Madras—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	3,074	2,520
Non-recurring	3,500	3,500

(iii) Introduction of tailoring industry in Jails—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	1,600	1,440
Non-recurring	6,732	6,732

60. Civil Works---Jail Buildings.

(b) Jail Industries Committee recommendations—Improvements to spinning plant at Coimbatore—

	Rs.
Estimated cost	4,00,000
Provision for 1925-26	1,00,000

The Committee placed the scheme in class II subject to the scheme being financed from loans.

[3rd February 1925]

41. *Civil Works—Jail Buildings.*

(c) Jail Industries Committee—Woollen spinning mill at Bellary—

	RS.
Estimated cost	24,500
Provision for 1925-26	24,500

The Committee placed the scheme in class II.

3. Introduction of compulsory elementary education in select centres in Malabar—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	14,483	} 10,900
Non-recurring	1,200	

The Committee placed the scheme in class II.

4. Subsidies to the Provincial Co-operative Union, the South Kanara District Council and the Chingleput Co-operative Federation, Limited—

	RS.
Estimated cost	3,200
Provision for 1925-26	3,200

The Committee recommended Rs. 1,200 for the Provincial Co-operative Union in class II and placed the rest of the proposals in class III.

5. (i) The Committee placed the following schemes in class II :—

(a) Purchase of raw material in connexion with the development of the leather industry—

	RS.
Estimated cost	6,000
Provision for 1925-26	6,000

(b) Purchase of 12 pumping engines by the Industries Department—

	RS.
Estimated cost	42,000
Provision for 1925-26	42,000

(c) Additional staff for the Madras Trades School—

	RS.
Estimated cost	1,783
Provision for 1925-26	920

(ii) The following schemes were placed in class III :—

(a) Provision for the equipment of the new research laboratory at the Leather Trades Institute—

	RS.
Estimated cost	8,064
Provision for 1925-26	8,064

3rd February 1925]

(b) Opening of printing classes in the Madras Trades School—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	5,800	2,720
Non-recurring	14,300	7,100

6. Building grants—

- (1) S.P.G. Art Industrial School, Nazarath.
- (2) U.F.C.M. Agricultural School, Melrospuram.
- (3) St. Francis Xavier's Industrial School, Tanjore
- (4) St. Mary's Industrial School, Kumbakonam.
- (5) Raja's Industrial School, Parlakimedi.

Estimated cost.
RS.
65,000
Provision for 1925-26.
RS.
40,000

Equipment grant for Industrial schools—Lump sum provision of Rs. 15,000.

The Committee recommended Rs. 15,000 for equipment in class II and Rs. 25,000 for buildings in class III.

* * * * *

7. Reorganization of the staff employed in fish-curing yards—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	3,898	3,775
Non-recurring	225	225

The Committee placed the scheme in class II.

8. The Committee placed the following scheme in class III:—

Extensions to the fish farm at Praema in the Kurnool district—

(a) Running cost—

	Estimated cost.	Provision for 1925-26.
	RS.	RS.
Recurring	700	300
Non-recurring	350	350

(b) Construction of four ponds—

	RS.
Estimated cost	5,350
Provision for 1925-26	5,350

* * * * *

3rd February 1925] [Mr. C. P. Ramaswami Ayyar]

"I may further say that if the House does not want to have this as a consolidating measure, by all means let us have an amending Bill and put this reform through. On the question of the reform that we want additional judges, there are no two opinions. I think I am right in saying that the object of this whole House is to effect that economy. Then, if you like, do not call it a consolidating measure and do not make it impossible for you to move in this matter later on. But let us not curtail the possibility of this useful step by insisting on a mere adjournment which will not produce results which the hon. the Movers of the adjournment have in their minds. I therefore move that this Bill be taken into consideration."

* The hon. Mr. R. A. GRAHAM :—"I second it."

Mr. A. RAMASWAMI MUDALIYAR :—"Mr. President, I just wish to raise a point of order at this stage. I gave notice of certain amendments, to which the hon. the Law Member had adverted. The effect of the amendments was that the administrative power now vested in the High Court should be divested from that body and should be transferred to the Local Government. I find that none of these amendments have been tabled in the agenda that I have got in my hands, and I do not know why it has been done so. I have not received any communication from your office pointing out that these amendments are either irrelevant or out of order. Under the Standing Orders an amendment is ruled out by you only on the grounds that it is irrelevant or that it is outside the scope of this Bill. My amendments contemplate what is sought in section 106 of the Government of India Act. I venture to submit that those amendments are neither irrelevant nor beyond the scope of the Bill itself, because the hon. the Law Member himself conceded that this is a consolidating Bill. They are even otherwise *intra vires* and will not be out of order. I should like to know, Sir, where I stand with reference to these amendments and whether you have already ruled them out without giving me an opportunity to explain my position."

* The hon. the PRESIDENT :—"I understand that the hon. Member has received a communication from the Legislative Department setting out its views as to the admissibility of those amendments. If not, I may assure the hon. Member that I am quite prepared to look into the matter."

Mr. A. RAMASWAMI MUDALIYAR :—"I first received a communication from the Law Department that the previous sanction of the Government of India was necessary for these amendments. But there was no suggestion, so far as your office was concerned, that these amendments were *ultra vires*. Then, certain correspondence passed between me and the Secretary to Government, Law Department, with reference to these amendments, and I received a communication later that they were not *ultra vires*. But the last communication I had from the Law Department brought me to the original state of affairs that the amendments were *ultra vires*. What I do suggest is this: that my amendments should go forward on the agenda, and an opportunity should be given on the floor of this House to us before you decide that the amendments are either *ultra vires* or *intra vires*. That opportunity has not been given in regard to my amendments. They have not even been embodied in the agenda itself. As a question of principle, it is a very important matter."

3rd February 1925]

11. Construction of quarters for Police officials—

	Cost of work.	Provision for 1925-26.
	RS.	RS.
(a) Police quarters at Tirurangadi ..	20,800	5,900
(b) Police quarters at Beluguppa ..	10,160	5,000
(c) Station-house and police quarters at Kondapalli.	25,500	10,000
(d) Police quarters at Tindivanam ..	30,400	10,000
(e) Police quarters at Tadivaripalle ..	22,200	5,000
(f) Police quarters at Nellikuppam ..	12,600	10,000

The Committee placed all the items in class II.

12. Government Press—Mint Buildings—Extension—

	RS.
Estimated cost	18,000
Provision for 1925-26	18,000

The scheme was placed in class II.

13. Purchase of new machinery for the Government Presses at Madras—

	RS.
Estimated cost	1,50,000
Provision for 1925-26	1,50,000

The Committee placed the scheme in class II.

14. Additional works at the Kerala Soap Institute, Calicut—

	RS.
1. Expanded metal partitions for the sides of the passage between finished goods godown and the main building	760
2. Shed for storing fish oil	1,500
3. Shed for making fish oil soap	950
4. Mangalore tiled shed to hold two lyes storage vats	335
5. Unforeseen expenditure	455
	<hr/> 4,000 <hr/>

The Committee recommended that a provision of Rs. 3,600 be made and placed the scheme in class II, the amount under item 5 being reduced to Rs. 55.

*

*

*

*

[3rd February 1925]

15. The following schemes were placed in class II:—

(a) Cattle Insurance societies—

	RS.
Estimated cost	3,000
Provision for 1925-26	1,000

(b) Land Mortgage Banks—

	RS.
Estimated cost	2,00,000
Provision for 1925-26	2,00,000

16. The following schemes were withdrawn by the concerned departments:—

- (1) Addition of 26 Honorary Assistant Registrars and 26 peons.
- (2) Opening of new schools in 1925-26 and raising of Madapalle lower secondary grade school into a higher elementary grade school, Fisheries Department.
- (3) Reclamation of Kallars of the Tanjore district, Additional Police staff.

FORT ST. GEORGE, }
14th January 1925. }



R. A. GRAHAM.

[Vide item IX (2) Communications to the Council at e 46 supra]

G.O. No. 2001, Development, dated 21st November 1924.

READ—the following papers:—

I

Letter from E. F. THOMAS, Esq., C.I.E., I.C.S., Director of Industries, to the Secretary to Government, Development Department (through the Accountant-General), dated the 13th September 1924, No 262-E/24.

I have the honour to forward herewith a copy of the Audit report of the Kerala Soap Institute, Calicut, for the year 1923-1924, together with the copies of the relative Balance sheet, Manufacturing, Trading and Profit and Loss Accounts received from Messrs. Fraser and Ross. It will be observed therefrom that the Institute sustained a loss of Rs. 9,939-8-5 during the year under report against a loss of Rs. 23,320-12-5 during the previous year. The reasons for this loss have been fully explained in my letter to Government No. 88-E/24, dated the 28th August 1924, and in the annual administration report. A loss of Rs. 15,875-6-4 was incurred during the first half of the year during which period operations were disorganized consequent on the transfer of the factory to

3rd February 1925]

the new building and the introduction of the new sales system, but this figure was reduced to Rs. 9,939-8-5 by the net profit of Rs. 5,935-13-11 which was made on the working of the factory during the latter half of the year. The considerable reduction in turnover was due partly to the adverse trade conditions which prevailed in the early part of the year, but mainly to the severe and increasing competition of cheap and colourable imitations of our soaps at prices with which consistently with the maintenance of quality, the Institute could not compete. Contributory factors which had an adverse effect on sales were the dislocation in trade which occurred consequent on the removal of the factory and the comparatively high rate of exchange which, during the latter half of the year ruled in favour of importers.

2. *Paragraph 1 (b) of the report.*—The buildings, laboratory and equipment of the Institute were originally designed to meet the requirements of an instructional institute in addition to those of a factory. For a manufacturing concern, pure and simple, a building and laboratory designed on less generous lines would have sufficed. If therefore it is decided hereafter to provide for the training of apprentices I consider that part of the interest charges should be debited against the factory proper and part against the instructional side of the Institute.

3. *Paragraph 1 (c) of the report.*—Arrangements are being made to furnish Messrs. Fraser and Ross with a revaluation statement in respect of the plant and machinery so as to enable them to prepare an amended balance sheet if this is found necessary.

4. *Paragraph 2 of the report—Roads.*—Depreciation at the rate of 25 per cent of the cost will be written off annually commencing with the current financial year, and the whole cost will be written off in four years.

5. *Paragraphs 3, 4 and 5.*—The instructions of the Auditors in these paragraphs are being given effect to.

6. *Paragraph 6 of the report—Soda Ash.*—The stock of soda ash on hand has been revalued at Rs. 5 per cwt. and the difference in value has been adjusted to accumulated profits. The stock has since been further reduced and the question of disposing of the balance is receiving attention.

* * * *

8. *Paragraph 10 of the report—Personal ledger accounts.*—These accounts have been in operation since 1st July 1924, and the Accountant-General has issued the necessary instructions to the Treasury Officer, Malabar.

* * * *

[3rd February 1925]

10. I would invite the attention of Government to the fact that the debit at Profit and Loss includes an amount of Rs. 2,551 for Director's supervision charges which I consider is very excessive. I am addressing Government separately in regard to the question of overhead charges generally as affecting the several departmental factories.

ENCLOSURE

THE KERALA SOAP INSTITUTE, CALICUT.
REPORT ON THE ACCOUNTS TO 31st MARCH 1924.

BALANCE SHEET.

1. *Fixed Capital Expenditure*—(a) *Land*.—A further sum of Rs. 4,656-1-2 has been paid by the Accountant-General during the year for the land, of which Re. 0-1-2 has been written off to Profit and Loss account.

(b) *Buildings*.—A statement has been received from the Director of Industries in respect of buildings, and the value of same less the value already brought into the books has been capitalized. Neither interest nor depreciation has been charged to Profit and Loss account on the additions during the year as the work was completed only towards the end of the year.

(c) *Plant and machinery*.—As laid down in paragraph 2 of G.O. No. 749, dated the 11th April 1924, plant and machinery, furniture and fixtures, laboratory apparatus, etc., are to be revalued. The Superintendent should be instructed to revalue all these assets at an early date and the difference between the book values and the valuations should be adjusted to Accumulated Profits referred to in paragraph 11 below. As desired by the Director in his letter to the Superintendent No. 345-E/1922, dated the 27th May, an amended Balance Sheet will be submitted when such revaluations are advised to us and, on the basis of that Balance Sheet, the Institute will start working as a commercial concern under Chapter II of the Account Code as from 1st April 1924. The alterations in respect of such revaluations will not affect the Profit and Loss account now submitted as the differences in the values of the assets will be adjusted to Accumulated Profits.

2. *Roads*.—This item includes granite metalled roads, temporary roads, earth filling in the compound, etc. No depreciation has been written off during the year as the works were completed only towards the end of the year. We recommend that this item be written off in the course of four or five years.

3. *Erection charges* should be completely adjusted to Accumulated Profits as the revaluations of buildings and machinery and plant should include cost of erection.

3rd February 1925]

4. *Laboratory apparatus*—Rs. 10,310.—This figure includes Rs. 9,090, being the approximate value of apparatus bought from Europe during 1922-23 and referred to in paragraph 2 of our report dated 28th September 1923. The invoices for same have not yet been received by the Institute and the Superintendent had to take an approximate figure.

The assistant in charge of the laboratory should maintain a register of apparatus and should write off breakages and other losses in addition to the usual depreciation charges.

5. *Library books*.—We suggest that on revaluation the value of library books should be stated at a nominal value, say Rs. 100.

6. *Stores and raw materials*.—Stock of stores, soaps in process of manufacture and finished soaps in stock as on 31st March 1924 were taken by the Deputy Director of Industries. Stores have been valued at cost.

Stores include about 127 tons of soda ash which is more or less dead stock as it is not used in the manufacture of soaps. It has been valued at Rs. 9 per cwt. as per Messrs. Parry & Co.'s quotations as on 31st March 1924. During the year about 40 tons were sold to the Cinchona Department at Rs. 8 per cwt. and the loss thereon, i.e., Rs. 857-4-5, has been adjusted to Accumulated Profits. Early attempts should be made to dispose of the whole stock as it may deteriorate in quality. For the purpose of the Balance Sheet referred to in paragraph 1 (c) above, it should be revalued at say Rs. 5 per cwt., the difference to be adjusted to Accumulated Profits.

7. *Soaps* in basis have been valued at cost of materials, labour and factory overheads.

8. *Stocks-in-trade* have been valued at cost or under.

9. *Book debts*.—

*

*

*

Bad and doubtful debts are more than fully provided for by the reserve per contra.

10. The Personal Ledger accounts for the Institute have not yet been opened although two months have elapsed since the date on which the Institute was placed under Chapter II of the Account Code. Immediate arrangements should be made for opening same. The treasury should be instructed to send monthly statements to the Institute covering the transactions in both No. 1 and No. 2 accounts, so that the Treasury balances can be reconciled with the balances in the Institute books every month. Pass books, such as are issued by Banks, would be preferable to statements.

[3rd February 1925]

11. *Capital—Government of Madras.*—As the balance to the credit of Government on 31st March 1923 includes accumulated profits up to 31st March 1922, such accumulated profits have been deducted and shown separately for utilization on the adjustments referred to in paragraph 1 (c) above.

Total withdrawals and remittances during the year have been reconciled with the statements received from the Director.

Accumulated profits.—Against accumulated profits of Rupees 84,520-15-8 up to 1921-22 the losses of 1922-23 and 1923-24 have been adjusted. The passage money paid to the Superintendent to England on study leave and the loss on the sale of soda ash have been adjusted against such profits, leaving a balance of Rs. 48,839-14-5. We also suggest that from the balance, if any, of the accumulated profits transfer be made to reserve for bad and doubtful debts of a sum sufficient to raise the reserve to 5 per cent of the book debts to meet unforeseen contingencies.

12. *Working for the quarter ending 31st March 1924.*—During the quarter 108 tons of soaps were produced against 92 tons in the previous quarter and 48 tons in the first half-year. The cost of raw materials decreased slightly during the quarter resulting in a slightly reduced cost of production. Sales have increased from Rs. 46,236-11-9 in the previous quarter to Rs. 52,741-2-0 leaving a gross profit of Rs. 15,835-11-5 against Rs. 10,759-1-8 for the previous quarter.

The quarter shows a net profit of Rs. 4,636-9-7 against Rs. 1,299-4-4 for the previous quarter. Direction charges for the whole year have been calculated as laid down in paragraph 10 of G.O. No. 749, dated the 11th April 1924, and the sum so arrived at, less the amounts debited in the first three quarters, has been debited to Profit and Loss account for the quarter. Interest and depreciation have been calculated as in previous accounts.

13. *Working for the year ending 31st March 1924.*—The working accounts for the year, as exhibited, are not comparable with those of the previous year owing to the variations in the forms in which the accounts of the year have been drawn up. As the factory was removed from the old to the new premises, little work was done during the first half of the year, the period of transfer.

The sales of 1922-23 were in excess of those of the year under review.

The working for the year shows a net loss of Rs. 9,939-8-5 against Rs. 23,320-12-5 for the previous year. The reduction in loss is mainly due to the reduction in rent, rates and taxes from

Rs. 5,252-9-0 to Rs. 424-13-4, bonus to travellers from Rupees 4,756-9-11 to Rs. 409-2-4 and travelling expenses from Rs. 4,698 to Rs. 2,275-13-0. In future accounts, in lieu of rent charges will be included for interest and depreciation on buildings which will amount to approximately Rs. 8,000 per annum. The services of travellers have been dispensed with.

Subject to the foregoing remarks, we certify that we have obtained all the information and explanations we have required and that the Balance Sheet referred to above, in our opinion, exhibits a true and correct view of the state of the Institute's affairs according to the best of our information and the explanations given to us and as shown by the books of the Institute.

FRASER & ROSS,
Commercial Accountants and Auditors
to the Government of Madras.

THE KERALA SOAP INSTITUTE. CALICUT.

CAPITAL AND LIABILITIES.

[illegible]

[3rd February 1925]

THE KERALA SOAP INSTITUTE, CALICUT—*cont.*Balance Sheet as at 31st March 1924—*cont.*CAPITAL AND LIABILITIES—*cont.*

	RS.	A.	P.	RS.	A.	P.
Brought forward ..						
Capital— <i>cont.</i>						
Add—Accumulated profits—	RS.	A.	P.	RS.	A.	P.
Profit to 1921-22 ..	84,520	15	8			
Less—Loss for 1922-23 ..	23,320	12	5			
Passage money for Superintendent.	1,563	8	0			
Loss on sale of soda ash.	957	4	5			
Loss for 1923-24 ..	9,939	8	5			
	35,681	1	3			
				48,839	14	5
Reserve for bad and doubtful debts—						
Liabilities—						
For goods supplied ..				603	7	6
For expenses ..				3,130	4	10
For Customer's credit balance ..				595	6	5
Accountant-General, Madras—Suspense ..				155	2	4
Security deposits invested as per contra—						
Store-keeper ..				1,000	0	0
Late traveller—Kasipathy ..				2,000	0	0
Firewood contractor ..				200	0	0
				3,200	0	0
Total ..				3,38,932	3	10

PROPERTY AND ASSETS.

Fixed Capital Expenditure—

Government land for the Institute—

As per Balance Sheet as at 31st March 1923.

Add Additions during the year ..

21,000 0 0

4,656 0 0

25,656 0 0

Buildings—

As per Balance sheet as at 31st March 1923.

Add Additions during the year ..

13,583 14 5

80,987 0 0

94,570 14 5

327 14 5

94,233 0 0

Plant and Machinery—

In use as per Balance Sheet as at 31st March 1923.

Add Glycerine plant now in use ..

Additions during the year ..

31,883 0 0

9,712 9 6

4,323 1 4

45,918 11 4

23,140 7 8

22,778 3 8

Add Machinery fitted up as per Balance Sheet as at 31st March 1923.

Less Glycerine plant in use ..

27,465 12 9

9,712 9 6

17,753 3 3

375 6 11

17,377 12 4

40,156 0 0

Carried over ..

1,60,045 0 9

3rd February 1925]

THE KERALA SOAP INSTITUTE, CALICUT—*cont.*Balance Sheet as at 31st March 1924—*cont.*

PROPERTY AND ASSETS— <i>cont.</i>				RS.	A.	P.	RS.	A.	P.
Brought forward .. ..				..			1,60,045	0	0
Furniture and fittings—									
As per Balance Sheet as at 31st March 1923.	..	..	..	4,113	11	11			
Additions during the year .. ..	..	..	..	651	15	0			
				4,765	10	11			
Less Depreciation to date .. ..	..	..	..	1,929	10	11			
							2,836	0	0
Roads .. ..	..	..	..				3,035	0	0
Erection charges .. ..	..	..	..				9,241	11	9
Laboratory apparatus—									
At cost less depreciation .. ..	..	..	..				10,310	0	0
Library—									
At cost less depreciation .. ..	..	..	..				1,297	0	0
Loose Tools—									
At valuation .. ..	..	..	..				511	0	0
Stores and raw materials—									
Soda ash at market rate .. ..	..	..	..	22,243	8	1			
Perfumes, essential oils and colours .. ..	..	..	..	4,806	15	8			
Other raw materials .. ..	..	..	..	9,010	4	5			
Packing materials and sundry stores.	..	..	..	4,781	9	5			
							40,842	5	7
Soap basis—									
Washwell .. ..	..	..	..	29,933	3	4			
Vegetol .. ..	..	..	..	386	0	0			
Toilet .. ..	..	..	..	544	2	11			
Incomplete work orders .. ..	..	..	..	2,619	14	2			
							33,543	5	2
Stock in trade —									
Washwell soap .. ..	..	..	..	4,916	0	6			
Vegetol soap .. ..	..	..	..	4,820	14	3			
Toilet soap .. ..	..	..	..	1,938	3	0			
Experimental bar soap .. ..	..	..	..	395	6	7			
Cheap bar soap .. ..	..	..	..	977	10	0			
Fish oil soft soap .. ..	..	..	..	406	0	6			
Fish oil rosin soap .. ..	..	..	..	567	2	6			
							14,071	5	4
Book debts—									
Considered good .. ..	..	..	..	57,283	6	11			
Considered doubtful .. ..	..	..	..	69	15	0			
Considered bad .. ..	..	..	..	628	9	9			
							57,881	15	8
Deposits and advances—									
Fixed deposits receipts of the Imperial Bank of India held as security deposits of employees as per contra.	..	..	..	3,200	0	0			
Travelling advance to business manager .. ..	..	..	..	500	0	0			
Advances for expenses and advertisement .. ..	..	..	..	1,125	13	0			
							4,825	13	0
Cash and other balances—									
Cash and cheques on hand .. ..	..	..	..	291	11	4			
Permanent advance .. ..	..	..	..	200	0	0			
							491	11	4
Total ..							3,38,932	8	10

Examined and found correct subject to our report of even date.

MADRAS,
2nd July 1924,FRASER & ROSS,
Chartered Accountants and Commercial Accountants
and Auditors to the Government of Madras.

THE KERALA SOAP INSTITUTE, CALICUT—cont.
Manufacturing account for the quarter ending 31st March 1924.

	Vegetol soap.	Washwell soap.	Toilet soap.	Fish-oil soft soap.	Fish-oil rosin soap.	Experimental bar soap.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
To stock in process of manufacture ..	..	22,182 10 2	1,746 7 5	228 14 8	..	533 12 10	24,691 13 1
„ raw materials, firewood, etc., used.	13,061 15 1	25,761 13 10	656 11 8	1,069 5 10	605 9 7	..	41,156 8 0
„ wages	176 14 1	793 5 3	137 10 2	62 1 7	23 4 0	..	1,193 3 1
„ Factory overheads	858 5 4	1,962 3 0	35 0 7	362 1 1	127 10 6	..	3,345 4 6
Total ..	14,097 2 6	50,700 0 3	2,576 13 10	1,722 7 2	756 8 1	533 12 10	70,385 12 8
By scraps, etc., used for other soaps ..	2,213 7 9	31 8 0	355 12 2	..	..	138 6 3	2,739 2 2
„ finished soaps sent to stores ..	11,497 10 0	20,675 4 11	1,675 14 9	1,722 7 2	756 8 1	395 6 7	36,723 3 6
„ stock in process of manufacture ..	386 0 9	29,993 3 4	544 2 11	..	..	..	30,923 7 0
Total ..	14,097 2 6	50,700 0 3	2,575 13 10	1,722 7 2	756 8 1	533 12 10	70,385 12 8

Trading account for the quarter ending 31st March 1924.

	Experimental bar soap.	Vegetol soap.	Washwell soap.	Toilet soap.	Fish oil soft soap.	Fish oil rosin soap.	Cheap bar soap.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
To stock on hand .. ..	..	1,775 14 3	3,010 11 4	2,137 5 1	..	204 6 0	1,213 2 11	8,341 7 7
„ cost of soaps received from factory.	395 6 7	11,497 10 0	20,675 4 11	1,675 14 9	1,722 7 2	756 8 1	..	36,723 3 6
„ packing charges, etc., and portion of factory over- heads.	..	567 10 7	2,995 1 2	1,002 2 3	604 12 3	27 4 6	5 2 9	5,202 1 6
„ perfumes and essential oils.	..	..	..	1,090 6 9	..	..	..	1,090 6 9
„ gross profit carried to Profit and Loss Account.	..	3,931 11 3	8,059 6 0	1,245 6 9	1,666 13 1	858 7 10	73 14 6	15,835 11 5
Total ..	395 6 7	17,772 14 1	34,740 7 5	7,151 3 7	3,994 0 6	1,846 10 5	1,292 4 2	67,192 14 9
By sales less returns .. ..	..	12,778 6 1	29,782 4 3	5,003 11 0	3,588 0 0	1,277 7 4	311 5 4	52,741 2 0
„ free samples issued .. ..	..	12 6 8	31 13 8	159 5 7	..	2 0 7	3 4 10	208 15 4
„ soaps issued for reboiling, etc.	..	161 3 1	10 5 0	..	..	..	..	171 8 1
„ stock on hand	395 6 7	4,820 14 3	4,916 0 6	1,988 3 0	406 0 6	567 2 6	977 10 0	14,071 5 4
Total ..	395 6 7	17,772 14 1	34,740 7 5	7,151 3 7	3,994 0 6	1,846 10 5	1,292 4 2	67,192 14 9

3rd February 1925]

APPENDIX

THE KERALA SOAP INSTITUTE, CALICUT—cont.

Profit and loss account for the quarter ending 31st March 1924.

RS. A. P.				RS. A. P.				RS. A. P.			
To Expenses—								By Gross profit from trading account			
Establishment charges	3,545	15	0					„ Sundry sales	15,835	11	5
Rates and taxes	25	10	11					„ House-rent	112	8	1
Travelling expenses	261	9	0						55	0	6
Advertisement charges	2,141	14	2								
Printing and stationery	579	9	9								
Postage and telegrams	195	10	6								
Despatching charges (freight, etc.)	483	14	0								
Sundry office and factory expenses	410	5	4								
Laboratory experimental work	135	10	1								
Free samples issued	208	15	4								
Discount and exchange	11	1	0								
„ Depreciation on—											
Office buildings	84	1	2								
Laboratory apparatus	107	0	0								
Office furniture	106	0	0								
Library books	60	8	6								
„ Reserve for expenses credited to Government—											
Director's supervision charges	293	0	0								
Fire insurance	9	9	0								
Interest on capital	1,789	0	7								
Audit fee	450	0	0								
„ Packing materials written off .. .. .	..	..	..					
„ Net profit for the quarter .. .. .	..	..	..					
Total .. .. .	..	..	..					



[3rd February 1925]

Manufacturing account for the year ending 31st March 1924.

	Vegetol soap.	Washwell soap.	Toilet soap.	Fish oil rosin soap.	Fish oil soft soap.	Experimental bar soap.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
To stock in process of manufacture ..	20 3 9	22,411 12 8	2,889 15 8	.. ..	.. ..	.. ..	25,322 0 1
„ raw materials, firewood, etc., used.	22,187 4 3	59,575 10 4	4,063 0 9	1,802 4 6	1,232 9 4	553 12 0	89,414 7 2
„ wages	379 7 2	1,812 5 10	264 9 6	83 14 5	71 12 3	22 0 6	2,634 1 8
„ factory overheads	2,299 11 10	13,435 2 0	1,037 13 9	659 6 11	418 1 7	41 10 3	17,891 14 4
Total ..	24,886 11 0	97,234 14 10	8,255 7 8	2,545 9 10	1,722 7 2	617 4 9	1,35,262 7 3
By materials used for other soaps ..	3,670 8 8	31 8 0	598 12 6	.. ..	.. ..	221 14 2	4,622 11 4
„ finished soaps sent to stores. ..	20,830 1 7	67,210 3 6	7,012 8 3	2,545 9 10	1,722 7 2	395 6 7	99,716 4 11
„ stock in process of manufacture ..	386 0 9	29,993 3 4	544 2 11	.. ..	.. ..	.. ..	30,923 7 0
Total ..	24,886 11 0	97,234 14 10	8,255 7 8	2,545 9 10	1,722 7 2	617 4 9	1,35,262 7 3

THE KERALA SOAP INSTITUTE, CALICUT—*cont.*

Trading account for the year ending 31st March 1924.

	Vegetol soap.	Washwell soap.	Toilet soap.	Fish oil rosin soap.	Fish oil soft soap.	Experimental cheap bar soap.	Cheap bar soap.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
To stock on hand	1,692 5 4	789 12 2	1,112 0 3	670 4 11	.. ..	.. ..	1,744 5 0	6,008 11 8
„ cost of soaps received from factory.	20,830 1 7	67,210 3 6	7,012 8 3	2,545 9 10	1,722 7 2	395 6 7	.. ..	99,716 4 11
„ packing charges, share of overheads, etc.	1,175 10 5	5,727 2 3	3,228 8 4	38 5 7	604 12 3	.. ..	36 10 9	10,811 1 7
„ perfumes, essential oils, etc.	.. ..	.. ..	3,885 10 6	.. ..	.. ..	.. ..	.. ..	3,885 10 6
„ gross profit carried to profit and loss account.	5,659 1 0	16,487 0 2	3,885 10 4	1,044 13 2	1,666 13 1	.. ..	207 0 9	28,950 6 6
Total ..	29,357 2 4	90,214 2 1	19,124 5 8	4,299 1 6	3,994 0 6	395 6 7	1,988 0 6	1,49,372 3 2
By sales less returns	23,709 12 8	85,049 4 6	16,480 0 6	3,725 5 1	3,588 0 0	.. ..	1,001 5 4	1,33,553 12 1
„ scraps issued for reboiling.	778 5 11	115 8 3	.. ..	.. ..	.. ..	.. ..	.. ..	893 14 2
„ free samples issued	48 1 6	133 4 10	656 2 2	6 9 11	.. ..	.. ..	9 1 2	853 3 7
„ stock on hand	4,820 14 3	4,916 0 6	1,938 3 0	567 2 6	406 0 6	395 6 7	977 10 0	14,071 5 4
Total ..	29,357 2 4	90,214 2 1	19,124 5 8	4,299 1 6	3,994 0 6	395 6 7	1,988 0 6	1,49,372 3 2

[3rd February 1925]

Profit and loss account for the year ending 31st March 1924.

	RS.	A.	P.	RS.	A.	P.
To expenses—						
Establishment charges	14,045	1	4			
Rent, rates and taxes	424	13	4			
Bonus to travellers	409	2	4			
Travelling expenses	2,275	13	0			
Advertisement charges	4,316	1	0			
Printing and stationery	1,337	5	4			
Postage and telegrams	681	12	6			
Repairs and replacements	36	9	0			
Despatching charges	1,621	7	8			
Sundry office and factory expenses	1,147	4	4			
Laboratory experimental work	208	4	1			
Discount and exchange	11	1	0			
Free samples issued	853	3	7			
Revaluation of stores (Caustic Potash).	150	5	6			
				27,418	4	0
To Depreciation on—						
Buildings	337	15	8			
Laboratory apparatus	433	13	4			
Office furniture	426	4	0			
Books	242	3	3			
				1,440	4	3
To reserve for expenses credited to Gov- ernment—						
Director's supervision charges	2,551	0	0			
Insurance premium	35	11	0			
Interest on capital	6,075	14	0			
Audit fee	1,250	0	0			
				9,913	9	0
To packing materials written off				467	4	1
To dismantling and transporting charges.				606	7	2
Total				39,845	12	6

By gross profit from trading account ..
 „ sundry sales
 „ house-rent
 „ net loss carried to balance sheet ..

RS.	A.	P.
28,950	6	6
754	15	7
200	14	0
9,989	3	5

Total 39,845 12 6

3rd February 1925]

APPENDIX

[3rd February 1925]

II

*Endorsement of the Accountant-General No. Mal. 15-930,
dated 27th September 1924.*

Forwarded.

2. The total 'Remittances into Treasuries' as per books of this office is Rs. 1,38,055-2-10, the drawings from the treasury Rs. 1,64,945-4-3 and the moiety of the Director's salary Rs. 15,519-5-6.

3. *Paragraphs (1) (c) and 11 of the Auditor's Report.*—The fixation of the Government capital account as on the 1st April 1924 will depend on the orders passed on the recommendation of the Conference on the 8th instant on the subject. It was then agreed that a revaluation of assets may be necessary, but no adjustment of previous accumulated profits was apparently recommended.

4. *Paragraph 6 of the Auditor's Report.*—It is not clear why such a large stock of soda ash was laid in, when it was not required for the manufacture of soap. If this stock is the balance of the purchases in 1917 (commented on in paragraph 4 (b), section II of the Audit Report for 1920-21), it is requested that full particulars of the transaction and of the action taken since 1921 for the utilization or clearance of this stuff may be placed before the Public Accounts Committee at a very early date.

5. *Paragraph 9 of the Auditor's Report.*—As reported to Government by the Director of Industries in his letter, dated 29th February 1924, a sum of Rs. 3,810-3-0 due from Messrs. Subrahmanya Chetti had been written off as a bad debt in the Profit and Loss Account of 1922-23, though the intention was only to take it to a 'Bad Debts Reserve'. If there is any probability of some recovery being made from this debtor, the amount must be added to 'Book debts' on the assets side, by a corresponding entry against 'Bad Debts Reserve' in the liabilities side of the balance sheet for 1923-24.

6. *Paragraph 10 of Auditor's Report.*—Reference is invited to this office H. A. Comml. Gnl. 1-347, dated 15th September 1924, regarding pass books for Government commercial concerns.

7. A reserve for fire insurance will be unnecessary according to the decision of the Conference.

M. SUBRAHMANYAM,
Deputy Accountant-General.

To the Secretary to Government, Development Department.

3rd February 1925]

Order—No. 2001, Development, dated 21st November 1924.

Recorded.

2. *Paragraph 1 (c) of the Audit Report and paragraph 3 of the Accountant-General's endorsement.*—In view of the recommendations of the Commercial Accounts Conference, which have been accepted by Government regarding the fixation of the capital value of a going concern brought under chapter 2 of the Account Code, the Government agree with the Accountant-General that the instructions issued in G.O. No. 749, dated 11th April 1924, in regard to the method of arriving at the amount of capital invested in the institute on 31st March 1924, require reconsideration. The Government accordingly direct that the following shall be substituted for paragraphs 2 and 4 of the Government Order :—

"2. A balance sheet as at 31st March 1924 should be prepared in respect of the concern. In ordinary circumstances the assets and liabilities appearing therein should be transferred to the books to be opened on the new system. But as in this particular case the whole amount of the accumulated profits of the concern has been credited to Government without providing for any reserve to strengthen its financial position and, as in the opinion of the Commercial Accountants and Auditors to Government, there are several items of assets in the concern which are of very doubtful value, the Government consider that the concern should be saved from the risk of overcapitalization by revaluing all its assets with reference to their present value. The surplus of the assets as thus valued over the liabilities should be treated as the capital invested in the concern. The Government do not consider that the amount of this capital need first be credited in the Government accounts and then debited to 'Capital invested in Government Commercial undertakings'; but it should be exhibited with sufficient particulars in a memorandum appended to the annual budget and the current Government accounts. The book value of the assets of the concern should also be similarly exhibited in the memorandum.

* * * *

"4. A sum of Rs. 50,000 will be placed at the disposal of the Director as the working capital of the concern. The sanction of the Controller of the Currency to this has been obtained."

3. *Paragraph 2 of the Audit Report*—The Government agree with the Director that the expenditure incurred on roads should be written off in the course of four years.

4. *Paragraphs 3 and 5 of the Audit Report.*—The Government agree with Messrs. Fraser & Ross that in the revaluation of the assets of the concern with reference to their present value erection

[3rd February 1925]

charges should be taken to account. The Government also accept the suggestion that the library books should be valued at a nominal sum of Rs. 100.

5. *Paragraph 6 of the Audit Report and paragraph 4 of the Accountant-General's endorsement.*—The Director has been separately called upon to submit a report on the action taken since 1921 for the utilization and clearance of the balance of the stock of soda ash. The report, on receipt, will be placed before the Public Accounts Committee as desired by the Accountant-General.

6. *Paragraph 9 of the Audit Report and paragraph 5 of the Accountant-General's endorsement.*—The Government agree with the Accountant-General that the sum of Rs. 3,810-3-0 due from Messrs. Subrahmanyam Chetti & Co., should not have been written off as a bad debt in the Profit and Loss Account for 1922-23 but should have been added to the 'Book debts' on the 'assets' side with a corresponding entry against 'Bad debts reserve' on the 'liabilities' side of the balance sheet for 1923-24 as the write-off has not actually been sanctioned by Government. The item should not however be taken credit for in the revaluation of the assets as it is now probably irrecoverable and is not therefore an asset. If anything is recovered hereafter, it should be credited to the General Revenues. The Director is requested to report in due course on the question of final write-off.

7. *Paragraph 10 of the Audit Report and paragraph 6 of the Accountant-General's endorsement.*—Orders have already been issued by the Accountant-General to the Treasury Officer, Malabar, to open pass books to record the transactions of the Institute with the Treasury.

8. *Paragraph 11 of the Audit Report.*—The accumulated profits appear only in the pro forma accounts hitherto maintained and are not actually available. The question of their utilization either for the adjustment referred to in paragraph 1 (c) of the Audit Report or for transfer to 'Reserve for bad and doubtful debts' does not arise, in view of the orders in paragraph 2 above under which the assets will be valued at their present value only.

9. *Paragraph 7 of the Accountant-General's endorsement.*—The Government agree that there is no need to constitute a reserve for fire insurance not actually effected. The question whether the Institute should be insured is under separate consideration.

10. *Paragraph 2 of the Director's letter.*—Orders will be issued shortly directing that the future of the Institute will be considered again on receipt of the accounts for the year 1924-25 and that pending a final decision no apprentices should be admitted for

3rd February 1925]

training. The question of debiting part of the interest charges to the Factory proper and part to the instructional side of the Institute does not therefore at present arise.

(By order of the Government, Ministry of Development)

G. T. H. BRACKEN,
Secretary to Government.

To the Director of Industries.
„ the Accountant-General.
„ the Finance Department.
„ Messrs. Fraser & Ross.
„ the Auditor-General (with C.L.).
„ the Secretary, Legislative Council, for placing on the Council table.
Editors' Table.

(3)

[Vide item IX (3) Communications to the Council at page 45 supra.]

G.O. No. 2002, Development, dated 21st November 1924.

READ—the following papers :—

Letter from E. F. THOMAS, Esq., C.I.E., I.C.S., Director of Industries, to the Secretary to Government, Development Department (through the Accountant-General, Madras), dated Madras, the 9th August 1924, No. 246-E/24.

I have the honour to forward herewith the Audit Report and the Balance Sheet of the Government Fruit Preserving Institute, Coonoor, for the year ending 31st March 1924, together with the relative Profit and Loss Account for the year and quarter ending 31st March 1924. My remarks on the Audit Report will follow.

2. The concern has sustained a loss of Rs. 23,158-8-5 during the year and the accrued loss of the concern from the beginning of the working of operations is Rs. 39,573-7-1.

3. The invoice for the supply of the can-making plant should have been received by the Accountant-General, Madras, and he has been addressed to state the actual amount adjusted in his accounts to the debit of the Institute. On receipt of information from the Accountant-General the amount will be brought to the Institute's accounts.

4. The total charges on account of experiments in jam-making during the year are Rs. 6,278-15-10 which include Rs. 1,459-2-0 realized by sales, etc.

3rd February 1925]

A.—The attention of the hon. Member is invited to the answer given at the meeting of the Legislative Council held on the 20th August 1924 to clause (3) of question No. 272.

The additional cost in 1924-25 is not now expected to exceed nine lakhs of rupees. No estimate with regard to the cost in 1925-26 and 1926-27 has yet been made.

Mr. J. A. SALDANHA :—"I want to ask whether that money of Rs. 9 lakhs has been found, and, if so, how."

The hon. Mr. R. A. GRAHAM :—"The money has to be found (laughter)."

Sriman SASIBHUSHAN RATH Mahasaya :—"Is it likely that the amount will exceed Rs. 9 lakhs in 1925-26 and 1926-27, and, if so, by how much?"

The hon. Mr. R. A. GRAHAM :—"I cannot say what it will be in 1925-26. It will depend upon how much is paid in 1924-25. It is possible there may be arrears to be paid."

Collectorates.

Non-Brahman clerks, Madura.

* 12 Q.—Mr. A. CHIDAMBARA NADAR: Will the hon. the Member for Revenue be pleased to state—

(a) whether it is a fact that the Collector of Madura is ousting non-Brahman permanent clerks who have passed Secondary School-Leaving Certificate Examination to give room for applicants who have passed higher examinations;

(b) whether it is a fact that he has called for a list of graduates entertained by the Divisional Officers under him; and

(c) the number of Brahman and non-Brahman clerks in the Collector's office at Madura?

A.—(a) & (b) As a permanent clerk cannot be deprived of his appointment for the reason stated, the Government have no reason to suppose that the Collector has taken action as suggested.

(c) The hon. Member is referred to the Revenue Establishment list of the Madura district available in the Council Library.

Mr. A. CHIDAMBARA NADAR :—"With reference to the answer to clauses (a) and (b), where it is stated that a permanent clerk cannot be deprived of his appointment, may I know whether there is any physical impossibility involved?"

The hon. Mr. N. E. MARJORIBANKS :—"I am afraid I am not a doctor (laughter)."

Mr. A. CHIDAMBARA NADAR :—"Where is the difficulty? There is an allegation made in the question. Will the Government inquire?"

The hon. Mr. N. E. MARJORIBANKS :—"Certainly, if the hon. Member will give me instances where such a thing has occurred."

Mr. A. CHIDAMBARA NADAR :—"It is not quite possible now to give any specific case. It is stated, so far as information goes, that the Collector is doing such a thing. Will the Government be pleased to make the necessary inquiries?"

3rd February 1925]

	RS.	A.	P.	RS.	A.	P.
<i>Less</i> —Sales of experimental jams	1,136	0	0			
Experimental jams issued to manufacture.	253	2	0			
Closing stock on 31st March 1924 of experimental jams.	70	0	0			
				1,459	2	0
				4,819	13	10

Stores stock, Rs. 6,876-6-11.—The details are as follows :—

	RS.	A.	P.		RS.	A.	P.
Sundry stores such as	3,241	11	11	Sugar	252	0	0
labels account.				Fruits	16	8	0
Containers	2,143	3	0	Fuel	128	0	0
Packing materials ..	792	11	0	Chemicals ..	302	5	0
				Total	6,876	6	11

Stock-in-trade.—We have accepted these stocks as taken by the Deputy Director of Industries and certified to by the Lady Manager as being correct. The valuation works out at approximately 25 per cent less than the average selling price.

In the accounts submitted for the last quarter to 31st March 1924 all the jams produced are taken as standard jams. In addition 810 lb. of experimental jams value Rs. 253-2-0 were issued for the preparation of standard jams.

Book debts.—We have made no reserve for bad debts as most of the items outstanding are since collected. No depreciation has been charged on road and garden accounts.

Liabilities.

For expenses Rs. 1,929-9-11 are made up as follows :—

	RS.	A.	P.
Salaries and wages for March 1924 (unpaid)	1,193	5	2
Government Press, Madras	118	6	0
Superintendent of Stationery, Madras, for stationery supplied	597	10	3
Due to sundry traders for stores, etc., supplied	20	4	6

Profit and Loss Account.

Depreciation—Water-supply.—The total cost as shown in the balance sheet is Rs. 3,036-15-6, of which Rs. 1,722-6-0 represents the cost of pump and fitting and the balance the cost of boring.

Depreciation has only been provided on the Rs. 1,722-6-0 for the nine months in which the pump has been in use.

We consider that the whole assets shown be depreciated, and that the extra depreciation should be deducted in the next account.

[3rd February 1925]

General.—Interest at 6·1038 per cent has been charged on fixed assets and is shown in the balance sheet as interest reserve.

A sum of Rs. 600 has been charged as audit fee for the year 1923-24 as laid down in G.O. No. 283, Finance, dated the 7th April 1924.

Direction charges on account of the supervision of the Industries Department have been taken at Rs. 500—vide your letter referred to above. No debit has been made on account of leave and pension allowances.

A discount of 25 per cent has been allowed off sale prices to wholesale dealers.

The sales since October 1923 show a marked advance, having increased from 600 lb. per month to approximately 2,500 lb. per month at 31st March 1924. There is a still further increase since March 1924.

The total cost of production per lb. of jam made for the quarter to 31st March 1924 is As. 25·83 per lb. against As. 36·03 per lb. for the nine months ending 31st December 1923.

The selling price is As. 9·32 against As. 11·78.

The bare cost of production, i.e., sugar, fruit, fuel, containers and production labour only, is As. 10·50.

From the above it appears to us that unless some very marked alteration in costs can be achieved, the Institute cannot be made to work at a profit.

This report was sent to the Lady Superintendent in draft, and we give below her remarks regarding sales and costs :—

“(i) That the sales have risen from approximately 2,500 lb. per month at 31st March 1924; to 4,580 lb. per month at 30th June 1924;

(ii) that the cost of actual production—fruit, sugar, fuel, containers, labour—has dropped from As. 10·50 at 31st March to approximately As. 8 at 30th June 1924.”

The above shows very distinct progress and if it can be kept up, and production cost reduced to say As. 5, and sales increased to at least 7,000 lb. a month, the Institute will cover cost.

Subject to the above we certify that in our opinion the balance sheet signed by us as relative hereto shows a true and correct view of the state of the affairs of the Government Fruit Preserving Institute, Coonoor, as at 31st March 1924 according to the best of our information and the explanations given to us and as shown by the books of the Institute.

GOVERNMENT FRUIT-PRESERVING INSTITUTE

Balance Sheet as at 31st March 1924.

CAPITAL AND LIABILITIES.		RS. A. P.	RS. A. P.	RS. A. P.	PROPERTY AND ASSETS.		RS. A. P.	RS. A. P.
Capital—					Fixed capital expenditure—			
Government of Madras—					Land—			
Balance as per balance sheet as at 31st March 1923.		..	1,04,557 9 7		As per balance sheet as at 31st March 1923.		7,898 5 6	
Add—Withdrawals through contingent bills.		33,294 8 1			Add—Additions during the year.		1,382 7 3	9,280 12 9
Cost of land acquired.		1,378 3 8	34,672 11 4		Buildings—			
			1,39,230 4 11		As per balance sheet as at 31st March 1923.		45,028 1 8	
Less—Remittances into treasury.		..	12,751 15 9		Add—Additions during the year.		315 10 6	
			1,26,478 5 2		Less—Depreciation to date		45,343 12 2	42,641 12 2
Add—Reserve for expenses—					Plant and machinery—			
Interest on capital.		9,035 8 0			As per balance sheet as at 31st March 1923.		15,826 6 10	
Direction charges.		500 0 0			Add—Additions during the year.		341 4 6	
Audit and organization.		1,321 10 8			Less—Shown under utensils		16,167 11 4	
			10,857 2 8		Less—Depreciation to date		665 13 9	
Liabilities—				1,37,335 7 10	Office furniture—			
For expenses ..		..	1,929 9 11		As per balance sheet as at 31st March 1923.		2,742 3 4	
For customers' credit balance.		..	55 3 3	1,984 13 2	Add—Additions during the year		22 0 0	
				1,39,320 5 0	Less—Shown under utensils		2,764 3 4	
					Less—Depreciation to date		5 4 0	
							2,758 15 4	
							231 10 0	2,527 5 4

3rd February 1925]

APPENDIX

133

134

APPENDIX

3rd February 1925]

Examined and found correct subject to our report of even date.

FRASER & ROSS,
Chartered Accountants,
Commercial Accountants and Auditors to the Government of Madras.

APPENDIX

135

GOVERNMENT FRUIT-PRESERVING INSTITUTE—cont.

Profit and Loss Account for the year ending 31st March 1924—cont.

	Per lb.				
	ANNA.	RS.	A.	P.	RS.
To Office Expenses—					
Manager's pay .. ..	..	5,608	5	4	
Staff salaries .. ..	..	4,948	0	11	
Advertisement .. ..	..	2,963	12	3	
Packing and Transport ..	..	445	15	7	
Postages and Telegrams ..	..	291	14	0	
Printing and Stationery ..	..	766	5	4	
Samples .. ..	..	187	11	0	
Discount to Traders .. ..	..	138	8	5	
Travelling Expenses .. ..	..	374	1	0	
Sundry Expenses .. ..	..	66	9	0	
	11-50				13,891 3 2
„ Other Expenses—					
Rates and Taxes .. ..	..	493	0	0	
Repairs and Renewals ..	..	359	4	3	
Tools, Laboratory, Utensils, etc., written off ..	..	362	8	8	
Direction Charges .. ..	..	500	0	0	
Interest on Fixed Assets ..	..	4,544	4	0	
Audit Fee reserved .. ..	..	600	0	0	
	5-75				6,889 0 11
„ Depreciation—					
On Buildings at 3 per cent. .. ..	..	1,351	2	0	
On Plant and Machinery at 7 per cent. ..	..	1,061	12	0	
On Furniture at 5 per cent. .. ..	..	136	12	0	
On Water-supply at 10 per cent. .. ..	..	129	0	0	
	2-25				2,678 10 0
	82,738-3/8	37-63 *			42,816 4 5

* Note—
Cost per lb. as per Profit and Loss Account Rs. 3-5-63
Cost per lb. of Opening Stock „ 0-6-00
Cost of production per lb. Rs. 1-15-63

To Stock on 31st December 1923	14,470	8-00	..	7,235	0-0	By Sales	8,828-3/8	9-32	5,142	15	8
„ Cost of production—						„ Stock	18,560	8-00	6,950	0	0
Fruits .. ..	..	2,032	10	6		„ Loss .. ..	..	10-51	8,458	0	7
Sugar .. ..	..	985	0	0							
Other raw materials .. ..	..	6	14	0							
Sundry stores .. ..	..	477	14	1							
Containers .. ..	..	1,061	7	0							
Fuel .. ..	..	241	12	3							
Wages .. ..	..	461	0	2							
Experimental jams issued .. ..	..	161	14	0							
	8,258-3/8	10-50			5,418	8	0				
„ Office expenses—											
Manager's pay .. ..	..	900	0	0							
Staff salaries .. ..	..	1,630	15	0							
Advertisement .. ..	..	1,369	12	0							
Packing and transport ..	..	56	12	0							
Printing and stationery ..	..	515	13	11							
Postage and telegrams ..	..	94	12	0							
Samples .. ..	..	187	11	0							
Discount to traders .. ..	..	16	7	2							
Sundry expenses .. ..	..	17	1	6							
	9-41				4,858	4	7				
„ Other expenses—											
Rates and taxes .. ..	..	123	4	0							
Repairs and renewals ..	..	266	0	3							
Tools, laboratory, utensils, etc., written off ..	..	226	1	6							
Direction charges .. ..	..	500	0	0							
Interest on fixed assets ..	..	1,019	2	0							
Audit fee reserved .. ..	..	225	0	0							
	4-60				2,358	7	8				
„ Depreciation—											
On buildings at 3 per cent. .. ..	..	337	15	0							
On plant and machinery at 7 per cent. ..	..	265	13	0							
On water-supply at 10 per cent. .. ..	..	42	14	0							
On furniture at 5 per cent. .. ..	..	34	2	0							
	1-32				680	12	0				
	22,738-3/8	33-83 *			20,551	0	3				

* Note—Cost per lb. as per profit and loss account Rs. 2 1-83
Cost per lb. of opening stock „ 0 3-00
Cost of production per lb. „ 1 5-83

[3rd February 1925]

II

Endorsement of the Accountant-General, Madras, No. Nilg. 15-203, dated 29th August 1924.

Forwarded.

2. The figures under withdrawals from and remittances to Government in the balance sheet are not susceptible of ready comparison with those recorded in the books of this office.

3. The value of the can-making plant will be advised to the Institute after the receipt of certain particulars called for from the Director of Industries on the 18th August.

4. A reference is invited to this office letters No. H.A. Comml. 9-285, dated 25th July 1924, and No. H.A. Comml. 9-321, dated 19th August 1924, on the working of the Institute. It seems desirable to come to an early decision as to the continuance of the concern in view of the remarks of the Director of Industries already quoted in the latter letter and of the report now made by the Auditors that the Institute will not even cover cost, unless the production cost can be reduced to less than half of what was worked out in the last quarter of the previous year and the quantity sold nearly trebled.

5. A copy of the Director's remarks on the Audit Report referred to in paragraph 1 of his letter may kindly be sent to this office on receipt.

J. F. MITCHELL,
Accountant-General.

To the Secretary to Government, Development Department.

III

Letter from E. F. THOMAS, Esq., C.I.E., I.O.S., Director of Industries, to the Secretary to Government, Development Department, dated Madras, the 29th August 1924, No. 246-E/24.

In continuation of my letter No. 246-E/24, dated the 9th August 1924, I have the honour to state that I have no further remark to offer on the Audit Report of the Fruit Preserving Institute, Coonoor, for the year 1923-24 except to add that the loss for the year under report was heavier because the production was greater.

Order—No. 2002, Development, dated 21st November 1924.

Recorded.

2. "Preliminary expenses" amounting to Rs. 4,459-3-5 and the "experimental charges" amounting to Rs. 4,819-13-10 should be written off against the Government capital in the accounts for

3rd February 1925]

1924-25. All expenditure that may be incurred on "Experiments" either in 1924-25 or thereafter should be debited in the Profit and Loss statement of the year concerned.

3. With reference to paragraph 3 of his endorsement read above, the Accountant-General's attention is invited to G.O. No. 1600, dated 12th September 1924, directing that the Institute should be continued until the 31st March 1925, and that the question of its continuance after that date should be considered early in 1925.

(By order of the Government, Ministry of Development)

G. T. H. BRACKEN,
Secretary to Government.

To the Director of Industries.
,, the Accountant-General.
,, Messrs. Fraser & Ross.
,, the Finance Department.
,, the Auditor-General (with C.L.).
,, the Secretary, Legislative Council Office (for placing on the Council Table).
Editors' Table.



(4)

[Vide item IX (4) Communications to the Council at page 45 supra.]

G.O. No. 2044, Development, dated 28th November 1924.

READ—the following papers :—

I

Letter from Dr. B. SUNDARA RAJ, M.A., PH.D., Acting Director of Fisheries, to the Secretary to Government, Development Department (through the Accountant-General), dated Madras, the 16th August 1924, Ref. No. 1303-P/24-7.

[Cannery—Balance sheet and other accounts.]

I have the honour to forward herewith the report, balance sheet, production, trading and profit and loss accounts of the Government Fisheries Cannery, Chaliyam, for the nine months ending 31st March 1924, submitted by Messrs. Fraser & Ross, Commercial Accountants and Auditors to the Government of Madras, and to state as follows.

[3rd February 1925]

2. *Paragraph 1 (b) of the report.*—In this paragraph the Auditors remark that tools were not revalued as at the date of the balance sheet. The Cannery Superintendent says that this was not the method adopted by the Auditors themselves last year. Arrangements are however being made to revalue the tools in future as now advised by the Auditors.

* * * * *

3. I am unable to agree to the suggestion of the Auditors that the cannery must cease manufacture entirely of lines of which large stocks are in hand until such stocks have been disposed of. Sardine and mackerel appear only at fixed periods of the year and in some years they do not appear in sufficient numbers for two or three seasons consecutively as has been the case for the last two years with mackerels. The stock of mackerel was exhausted early this year and in spite of the constant demand for this favourite brand, our customers and agents as well as the British Empire Exhibition could not be supplied with mackerel. Hence the canning of such fish should be done to the maximum capacity at the season when the fish occur in abundance and are in consequence cheap enough for the cannery, to last over years of scarcity. Otherwise what has happened with mackerel this year will happen with other fish and a small cannery obviously cannot afford to lose the business accruing from a steady supply of goods to the public.

4. *Paragraph 2 of the report.*—As suggested by the Auditors, necessary instructions may be issued to the Accountant-General to arrange to open pass books in respect of No. 1 and No. 2 accounts and to send monthly certificates of balances on each account to enable reconciliations being made. It is also requested that arrangements may be made with the Director-General of Stores for the supply of invoices of European stores along with the goods, as, at present, these invoices are not received direct from England and copies have to be obtained either from the Accountant-General or the Agent for Government Consignments.

5. *Paragraph 3 of the report.*—The loss of Rs. 1,567-15-7 would not have been incurred had not the profit and loss accounts been affected by the cost price of 12,968 tins condemned and written off amounting to Rs. 4,137 at two-thirds selling price. If these tins had not been written off, the cannery could have shown a profit of about Rs. 2,500.

* * * * *

3rd February 1925]

ENCLOSURE

GOVERNMENT FISHERIES CANNERY, CHALIYAM.

Report on the Accounts to 31st March 1924.

1. BALANCE SHEET—ASSETS.

(a) *Fixed Capital expenditure*.—No remarks under this head are necessary.

(b) *Tools*.—Rs. 1,011.—Tools were not revalued as at the date of the balance sheet, the foregoing figures being the book value; after charging depreciation at 10 per cent. In future, tools should be revalued annually, differences between book figures and such valuation being treated as depreciation.

(c) *Raw materials*.—Rs. 12,599-2-1.—Stock was taken by the Assistant Inspector of Salt, Calicut; valuations are at cost.

(d) *Stock-in-trade*.—Rs. 54,027-11-1.—Stocks at Chaliyam were taken by the Assistant Inspector of Salt, Calicut. For stocks at Madras we have accepted the statements received from the Director. Such stocks are valued at, or slightly under, cost, the basis of valuation being two-thirds selling prices.

The following is a statement of stocks of the period :—

	TINS.	TINS.
Stock as at 1st July 1923 .. .. .	..	148,246
Production for nine months ending 31st March 1924 .. .. .	..	74,113
		<hr/>
		222,359
Sales for the nine months	27,331	
Stock as at 31st March 1924	179,426	
	<hr/>	<hr/>
		206,757
Balance written off as bad .. .. .	..	15,602
		<hr/>

The total of 15,602 tins written off includes about 13,000 tins condemned by the Director ex Madras Stock, the balance being written off by the Superintendent at Chaliyam. In view of the fact that the production was greatly in excess of sales and that closing stocks greatly exceed opening stocks, a continuation of outturn at this rate without a great increase in sales will in a very short time produce an accumulation of stock which it may be found impossible to dispose of. The risks of deterioration of stock are increased as the stock increases and consequential losses must increase with age of stocks. Presumably, the department is pushing sales as much as possible and, in our opinion, outturn should be curtailed until present stocks

[3rd February 1925]

are disposed of. It must be borne in mind that the results shown by the present accounts are only correct on the realization of stocks in the aggregate at prices not below present stock values. Mr. C. F. George in his report on the accounts to 30th June 1922 asked, "until the sales keep up with the present production, is it advisable to consider increasing output?"

Sir Frederick Nicholson in his report for 1918 said that 100,000 *should be made and sold* annually to make the business profitable. The Superintendent advises us that with the new machinery added during the period covered by these accounts, that figure of output can be attained, but it is useless to increase output unless such increased output can be sold. We therefore think we are justified in advising the Government to cease manufacture entirely of lines of which large stocks are on hand until such stocks have been disposed of, as the loss which would necessarily follow on closing down temporarily would be negligible compared to that which will be occasioned by the manufacture, deterioration and consequent condemnation of stocks for which no market can be found.

* * * * *

(f) *Cash and other balances.*—The accounting system of the cannery was brought under Chapter II of the Account Code as from 1st April 1924. A portion of the permanent advance was remitted on 31st March 1924—the balance has been adjusted since that date on the opening of the Personal Ledger accounts.

2. LIABILITIES.

(a) We have seen no certificates from the treasury in respect of total remittances or withdrawals. We suggest that pass books be issued by the treasury in respect of No. 1 and No. 2 Personal Ledger accounts and that certificates of balances on each account be submitted to the cannery monthly in order to enable reconciliations to be regularly made.

(b) *Europe stores.*—We cannot impress upon Government too strongly the necessity for the earlier submission of invoices in respect of purchases of Europe stores. Without regular advice of the cost of such stores, correct accounts cannot be maintained and invoices or certified copies thereof should be submitted to the cannery at the earliest possible date and certainly not later than the arrival date of the goods covered by such invoices.

3. PRODUCTION, TRADING AND PROFIT AND LOSS ACCOUNTS.

The receipts and payments for the period have been completely audited by the Accountant-General—in consequence we have carried out only a test-audit of the details covered by the accounts.

In accordance with G.O. No. 185, Development, dated 1st February 1924, direction charges have been taken at 5 per cent of the salary of the Director. Interest on capital has been calculated at the rate prescribed for productive public works.

Depreciation on buildings, plant, machinery, etc., has been calculated at the same rates as those adopted for the previous year.

3rd February 1925]

The loss for the nine months is Rs. 1,567-15-7 as against a loss of Rs. 100-7-11 for the previous year, the increase being mainly due to the writing off of condemned stocks.

* * * * *

5. Subject to the foregoing, we certify that we have obtained all the information and explanations we have required and that the Balance sheet referred to above, in our opinion, exhibits a true and correct view of the state of the cannery's affairs according to the best of our information and the explanations given to us and as shown by the records of the cannery.

MADRAS,
4th July 1924.

FRASER & ROSS,
Commercial Accountants and
Auditors to the Govt. of Madras.



Balance Sheet as at 31st March 1924.

Examined and found correct subject to our report of even date.

MADRAS,
4th July 1924.

FRASER & ROSS,
Chartered Accountants,
Commercial Accountants and Auditors to the Govt. of Madras.

Production Account for nine months ending 31st March 1924.

Production Account for nine months ending 31st March 1924.

144

APPENDIX

[3rd February 1925]

APPENDIX

145

GOVERNMENT FISHERIES CANNERY, CHALIYAM.

Trading Account for nine months ending 31st March 1924.

	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
To Opening stock—												
Canned Fish at Chaliyam	33,219	7	0				By Net sales			15,004	12	1
Canned Fish with McDowell & Co., Limited	10,398	4	1				„ Stock—					
Packing materials	417	4	6				At Madras with the Director ..	5,273	15	1		
				44,734	15	7	At Chaliyam	48,753	12	0		
Canned Fish as per Production Account				15,261	6	4	Packing Materials	364	0	0		
„ Selling expenses—										54,891	11	1
Packing Materials	9	7	9									
Railway Freight, Coolie, i.e., etc.	403	9	5									
Postage and Telegrams	2,020	5	0									
Advertising	1,193	14	6									
Salaries	1,007	3	0									
Commission and discount	552	10	8									
				5,188	1	11						
„ Gross Profit carried to Profit and Loss Account				4,211	15	4						
				69,396	7	2				69,396	7	2

Profit and Loss Account for nine months ending 31st March 1924.

To Establishment.. .. .	..	..	..	1,929	9	11	By Gross Profit .. .. .	..	..	..	..	..	4,211	15	4
„ Printing and Stationery .. ..	..	..	..	154	12	5	„ Miscellaneous Receipts .. .. .	..	..	..	..	..	14	5	6
„ Law Charges .. .. .	..	..	..	18	5	5	„ Net Loss .. .. .	..	..	..	..	..	1,567	15	7
„ Miscellaneous .. .. .	..	..	..	173	5	8									
„ Share of Direction expenses..	..	..	..	355	0	0									
„ Interest on Capital .. .. .	..	..	..	1,340	4	0									
„ Audit Fee .. .. .	..	..	..	250	0	0									
„ Bad debts written off .. .. .	..	..	..	157	7	0									
„ Reserve for bad and doubtful debts	..	..	..	269	15	0									
„ Depreciation—															
On Buildings .. .. .	..	..	418	0	0										
On Plant and Machinery .. ..	..	..	675	9	0										
On Furniture .. .. .	..	..	52	0	0										
						1,145	9	0							
						5,794	4	5							

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

[3rd February 1925]

3rd February 1925]

II

*Endorsement of the Accountant-General, No. Mal. 15-878,
dated the 29th August 1924.*

Forwarded.

1. The figures under withdrawals from, and remittances to, Government in the balance sheet are not susceptible of verification, as there is no separate head of account for the receipts of the Chaliyam Cannery in the books of this office, while the cost of Europe stores would have been charged off finally in the accounts of the High Commissioner for 1923-24.

* * * *

3. After the opening of the personal ledger accounts, the Treasury Officer, Malabar, has been asked to send a monthly statement of the payments and drawals to the commercial undertakings concerned and this will facilitate early reconciliation of figures.

4. In the case of indents specifically marked as appertaining to commercial undertakings with reference to G.O. Mis. No. 110 F., dated 5th February 1924, the High Commissioner has agreed to send an additional copy of the invoice for record in the office of the Commercial concern.

5. It is for Government to consider whether the risk of deterioration and consequential loss on old stocks does not outweigh the advantages claimed by the Director for always having ready a full supply in all lines of canned goods.

J. F. MITCHELL,
Accountant-General.

To the Secretary to Government, Development Department.

III

*Official Memorandum No. 2457-II/24-1, Development, dated
24th September 1924.*

The Director is requested to furnish a statement showing the number of tins of the various brands of canned fish in stock on 1st April 1924, the number manufactured and sold since then and the number now on hand.

(By order)

C. J. PAUL,
Assistant Secretary to Government.

To the Director of Fisheries.

[3rd February 1925]

IV

Letter from Dr. B. SUNDARA RAJ, M.A., PH.D., Acting Director of Fisheries, to the Secretary to Government, Development Department, dated Madras, the 11th October 1924, Ref. No. 1303-P/24-10.

In reply to the Government Memorandum No. 2457-II/24-1, dated 24th September 1924, I have the honour to forward herewith a statement showing the number of tins of the various brands of canned fish in stock on 1st April 1924, the number manufactured and sold since then and the number on hand on 1st October 1924.

Canned goods.

Item number. (1)	Name of product. (2)	Size. (3)	Balance on 1st April 1924. (4)	Manufactured from 1st April to 30th September 1924. (5)	Total of columns (4) and (5). (6)	Samples given, tasted and destroyed from 1st April to 30th September 1924. (7)	Sales (less returns) from 1st April to 30th September 1924. (8)	Total of columns (7) and (8). (9)	Balance on 1st October 1924. (10)
		Oz.							
1	Plain Sardines ..	7	9,335		9,335	129	1,223	1,352	7,983
2	Do. ..	12	*2,325		2,325	10	..	10	2,315
3	Sardines in oil ..	7	131,332	2,586	133,918	176	3,978	4,154	129,764
4	Do. ..	12	2,361	..	2,361	15	108	123	2,238
5	Do. (Boneless). ..	7	695	..	695	33	415	448	247
6	Curried Sardines ..	7	13,473	6	13,479	68	1,507	1,575	11,904
7	Do. ..	12	1,470	..	1,470	1	..	1	1,469
8	Plain Mackerel ..	12	6,475	..	6,475	12	171	183	6,292
9	Mackerel in oil ..	12	889	..	889	120	613	733	156
10	Curried Mackerel ..	12	390	..	390	9	12	21	369
11	Marinated Mackerel ..	12	119	..	119	..	..	..	119
12	Whole prawns ..	9	78	11,210	11,288	47	2,631	2,678	8,610
13	Prawn paste ..	3	84	1,453	1,537	38	522	560	977
14	Prawn savoury ..	3	191	806	997	10	59	69	928
15	Smoked Mackerel paste. ..	3	5,463	..	5,463	8	927	935	4,528
16	Smoked fish paste ..	3	366	673	1,039	7	534	541	498
17	Tamarind fish ..	12	† 20	..	20	..	20	20	..
18	Seer ..	12	3,344	..	3,344	33	1,361	1,394	1,950
19	Seer in oil ..	12	764	..	764	8	217	225	539
20	Pomfret ..	12	84	..	84	..	19	19	65
21	Sardines in tomato ..	7	..	5	5	4	..	4	1
22	Fish paste ..	3	183	862	1,045	10	706	716	329
	Total ..	..	179,441	17,601	197,042	738	15,023	15,761	181,281

* Includes 12 tins returned by parties, taken to stock after 1st April 1924.

† Includes 2 tins excess left in jars, taken into account after 1st April 1924.

To the sales must be added the number of tins sold at the British Empire Exhibition, Wembley, London. As no particulars have been received these are not included.

3rd February 1925]

Order—No. 2044, Development, dated 28th November 1924.

Recorded.

2. The accounts show that the working of the Cannery during the nine months which ended on the 31st March 1924 resulted in a loss of Rs. 1,567-15-7. Even this hardly represents the real position as the correctness of the figure is contingent on the realization of stocks in the aggregate at prices not below the stock values adopted which, at any rate, so far as the present indications show, is problematical. In the circumstances the Government agree with the Auditors that the Cannery should cease manufacture of lines of which large stocks are on hand until such stocks have been disposed of. The Government accordingly direct that until further orders the Cannery should entirely cease manufacture of sardines in oil of which according to the statement submitted by the Director with his second letter read above there are already large stocks on hand. The Director is requested to report what other lines he proposes to continue to manufacture and whether he cannot reduce the establishment of the Cannery and other costs.

* * * * *

(By order of the Government, Ministry of Development)

G. T. H. BRACKEN,
Secretary to Government.

To the Secretary, Legislative Council (to be placed on the Council Table).
Editors' Table.

(5)

[Vide item IX (5) Communications to the Council at page 45 supra.]

G.O. No. 2063, Development, dated 3rd December 1924.

READ—the following papers :—

I

Letter from E. F. THOMAS, Esq., C.I.E., I.C.S., Director of Industries, to the Secretary to Government, Development Department (through the Accountant-General), dated Madras, the 5th August 1924, No. 190-E/24.

I have the honour to forward herewith the audit report of the Government Industrial Institute (Ink Factory), Madras, for the year ending 31st March 1924, together with the Balance sheet and relative Production and Profit and Loss accounts received from

[3rd February 1925]

Messrs. Fraser & Ross, Commercial Accountants and Auditors, and to offer the following comments :—

(i) *Paragraph 1 of the Auditors' report.*—In the circumstances stated by the auditors, the writing-off of the preliminary expenses amounting to Rs. 5,167-11-1 against Government capital may be agreed to.

* * * *

(iii) *Profit and Loss statement—(a) Direction charges.*—I consider that the amount of Rs. 500 debited against the accounts of the Institute for 'Direction' is excessive in the case of a self-contained factory operating, as the Industrial Institute is at present, on a very small scale and in this view the auditors concur. A provision of from Rs. 250 to Rs. 300 on account of 'Direction' would, I consider, be ample.

(b) *Contribution for leave allowances.*—I feel strongly that the charge of Rs. 506-7-8 on account of "contribution for leave" should not be debited against the working of the Institute in the accounts under reference. With the exception of the accountant who is a permanent clerk on loan from the Department of Fisheries, the whole of the staff, including the officer in charge, is temporary. The Ink factory will never be made a permanent Government institution as when it has attained full commercial success it will be handed over to private enterprise. If the officer in charge proceeded on leave in the meantime, no substitute would be appointed to act in his stead and as such no additional expense on account of leave charges would be incurred. In the circumstances it seems absurd that such a debit should be raised against the gross profit of the Institute and I request therefore that the contribution for leave should be deleted and the net profit increased by a corresponding amount, viz., Rs. 506-7-8. I may mention that the auditors have raised no debit on account of contribution for leave in the accounts of the Kerala Soap Institute, the Fruit-Preserving Institute and the Industrial Workshops notwithstanding that in some of these factories permanent officers and subordinates are employed, and I understand that in accordance with my suggestion they do not propose to do so until the date on which these factories are actually brought under Chapter II of the Account Code. I think this is the correct course to pursue and if this is accepted it is clearly inequitable for the debit in question to be raised against the Ink factory in the accounts under reference and not against the relative accounts of the other institutions. I therefore trust that the Government will be able to see their way to accept my proposal that it should be deleted in the accounts and that the balance at credit of profit and loss should be increased proportionately.

3rd February 1925]

ENCLOSURES.

Letter from Messrs. FRASER & ROSS, Chartered Accountants, Commercial Accountants and Auditors to the Government of Madras, to the Director of Industries, dated Madras, the 8th May 1924.

THE GOVERNMENT INDUSTRIAL INSTITUTE (INK FACTORY), MADRAS.

ACCOUNTS TO 31st MARCH 1924.

We have the honour to enclose herewith the Balance sheet of the above as at 31st March 1924, together with the relative Production and Profit and Loss accounts for the year ending that date.

We have to make the following remarks on the accounts enclosed.

1. *Preliminary expenses Rs. 5,167-11-1 as per Schedule A.*—This amount represents experimental works Rs. 1,840 and removal charges Rs. 3,327-11-1.

(a) *Experimental charges.*—The previous Balance sheet showed a balance of Rs. 767 and during the year a sum of Rs. 1,265 was expended on account of the salary of the Superintendent for four months during which period he carried on experimental work. A sum of Rs. 192 has been written off to Profit and Loss account on account of experimental work leaving Rs. 1,840 capitalized.

(b) *Removal charges.*—The Institute has been moved from place to place for want of proper accommodation or other reasons. During previous years it was transferred from MacIver Villa to the Fruit-Preserving Institute, Coonoor, and from the Fruit Preserving Institute to Madras and on account of these a sum of Rupees 3,728-2-0 has been capitalized as per last Balance sheet. Towards the end of March 1924 the Institute was removed from Washermanpet to Wallajah Road, Mount Road, costing Rs. 160-9-6. In addition to this 155 gallons of ink costing Rs. 399 was reported to be lost during transit; and these two sums have been capitalized. A sum of Rs. 960-0-5 has been written off as depreciation during the year, leaving a net balance of Rs. 3,327-11-1 capitalized.

In a Balance sheet where the total assets amount to only Rs. 32,000 a sum of Rs. 5,167-11-0 for preliminary expenses is out of all proportion and as they have been incurred for removal charges and as it is proposed to place the Institute under Chapter II of the Account Code as a commercial concern, we propose that the writing-off of this expenditure against Government capital should be considered.

2. Work in progress has been valued at Rs. 2 per gallon as referred to in paragraph 6 of Mr. George's report on the previous Balance sheet. The valuation is sound being a little below cost.

[3rd February 1925]

3. *Stock in trade*.—Stocks as on the closing date were taken by the Superintendent himself, as the Assistant Engineer deputed to take stock could not do so. We have accepted certified stock statements from the Superintendent as correct. Stocks have been valued at cost and in some cases a little below cost.

* * * *

5. *Capital*.—A sum of Rs. 101-10-5 being charges on account of containers purchased during the previous year was not included in the statements for the previous year, and it has been adjusted during the year to the credit of Government Capital account.

6. *Production account*.—The output during the year is 3,430 gallons of blue black inks besides other varieties of coloured inks and ink powders against 2,293 gallons of blue black inks in the previous year. The cost of production has been reduced from Rs. 3-10-0 per gallon in the previous year to Rs. 3-4-3 owing to increased output and a small reduction in the cost of materials. If the output is increased to 5,000 gallons, i.e., the full productive capacity of the Institute, the cost of production will be reduced still further. The Superintendent expects to increase the output in the future, and hopes to get more orders to cope with the increased output, and he anticipates orders from the Superintendent of Stationery alone of from Rs. 25,000 to Rs. 30,000 a year.

As referred to in paragraph 1 (a) above a portion of the establishment charges has been capitalized under preliminary expenses on account of experimental works carried on by the Superintendent.

The production account includes rent on account of the Wallajah Road premises only for 20 days at the rate of Rs. 175 per month. For the remaining period the Institute was located in the cattle-shed on the land acquired for the purpose of erecting a central laboratory for the Department of Industries at Washermanpet, and no rent was charged for same. In future the rental charges will come to Rs. 2,100 a year, i.e., at the rate of Rs. 175 per month, and the Institute will have to earn this additional Rs. 2,100 of expenditure before it can show a profit. If the output and sale anticipated by the Superintendent is realized, there will be no trouble in covering the extra rent charge.

Direction charges, contribution for leave, interest and depreciation have been calculated as in the previous year.

We consider Rs. 200 a fair charge on account of audit.

As the receipts and payments have been completely audited by the Accountant-General, we have only carried out a test-audit.

3rd February 1925]

7. *Profit and Loss account.*—The sales show a slight increase over the figures of the previous year being 1,924 gallons of fluid ink and 14,468 packets of ink powder against 1,905 gallons of fluid ink and no ink powder. Of the total sales of Rs. 12,607-6-1 ink worth Rs. 10,600 was sold to the Superintendent of Stationery, partly in executing the balance of his order for 2,500 gallons placed in the previous year, and partly being the value of ink supplied to him in March 1924 and shown as outstanding. No big orders have been received during the year from the Superintendent of Stationery. . . .

The year's working shows a profit of Rs. 2,796-7-6 against a loss of Rs. 824-12-11 in the previous year, and this is mainly due to the reduction in the cost of production as referred to in paragraph 6 above. In addition to this about 2,500 second-hand containers were bought during the year at cheap rates, thereby reducing the cost of containers per gallon to 14 annas from Rupee 1-4-0. Packing and charges outward have also been reduced. The cost per gallon including all selling expenses and preliminary expenses written off comes to Rs. 4-15-0 per gallon. Ink is sold at Rs. 6 per gallon leaving a net profit of Re. 1-1-0 per gallon.

A sum of Rs. 399 has been credited to Profit and Loss account being value of 155 gallons of ink lost during transit as referred to in paragraph 1 (b) above.

The books and rulings suggested by Mr. George are being used. Some of them require slight alterations to suit the altered conditions on account of the manufacture of different varieties of inks and the matter is receiving our attention.

Subject to the above we certify that in our opinion the Balance sheet signed by us as relative hereto shows a true and correct view of the state of the affairs of the Government Industrial Institute (Ink Factory), Madras, as at 31st March 1924, according to the best of our information and the explanations given to us and as shown by the books of the Institute.

GOVERNMENT INDUSTRIAL INSTITUTE (INK FACTORY),
MADRAS.

SCHEDULE A.

Preliminary Expenses.

—	Balance as per last Balance sheet.	Expenditure during the year.	Total.	Amount written off.	Balance.
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
Experimental charges	767 0 0	1,265 0 0	2,032 0 0	192 0 0	1,840 0
Removal charges ..	3,728 2 0	559 9 6	4,287 11 6	960 0 6	3,327 11
	4,495 2 0	1,824 9 6	6,319 11 6	1,152 0 6	5,167 11 1

THE GOVERNMENT INDUSTRIAL INSTITUTE (INK FACTORY), MADRAS—cont.

Balance sheet as at 31st March 1924

CAPITAL AND LIABILITIES.			PROPERTY AND ASSETS.		
Capital—	RS.	A. P.	Fixed capital expenditure—	RS.	A. P.
Government of Madras—			Plant as per last Balance sheet ..	1,233	3 7
As per last Balance sheet ..		24,934 7 1	Add—Additions during the year ..	340	4 0
Add—Charges on con-	101 10 5			1,573	7 7
tainers not included in			Less—Depreciation	166	15 6
the last statement.					1,406 8 1
Drawings during the year	13,654 6 8		Furniture and fittings—		
		13,758 1 1	As per last Balance sheet ..	1,696	6 0
		38,690 8 2	Add—Additions during the year ..	355	0 0
				2,051	6 0
Less—Remittances during	6,857 11 1		Less—Depreciation	182	15 3
the year.					1,868 6 9
Loss as per last Balance	5,900 13 4	12,758 8 5	Preliminary expenses as per Schedule 'A'.		3,274 14 10
sheet.					5,167 11 1
Reserve for expenses—		25,931 15 9	Stores and spare gear—		
Contribution for leave ..	1,331 7 8		Raw materials	1,576	3 10
Interest	461 15 0		Chemicals	152	4 6
Share of direction ..	1,000 0 0		Containers	7,624	4 7
Audit fee	200 0 0		Labels, corks, etc. ..	861	6 3
		2,993 6 8	Packing materials ..	33	0 0
Liabilities—					10,247 3 2
For purchases		28,925 6 5	Tools		71 3 8
For expenses		173 3 2	Laboratory equipments ..		365 4 2
		662 8 2	Work in progress—		
Profit and Loss account—			Three hundred and fifty gallons at Rs. 2		700 0 0
Profit as per Profit and Loss		2,796 7 6	Stack in trade—		
account.			Violet stamping ink 5½ gallons at Rs. 15..	82	8 0
			Blue black ink 1,129 gallons at Rs. 3 ..	3,387	0 0
			Bottled ink	2,631	7 8
					6,100 15 8
			Book debts		6,433 1 6
			Service labels		24 0 0
					32,384 6 1
		32,384 6 1			

Examined and found correct subject to our report of even date.

MADRAS,
8th May 1924.

FRASER & ROSS,
Chartered Accountants, Commercial Accountants and Auditors to the Govt of Madras.

[3rd February 1925]

II

*Endorsement of the Accountant-General, Madras, dated
10th September 1924, No. Tryhy, P.A. III-345.*

Forwarded.

2. *Paragraph 1 of the Auditor's report.*—The expenditure on removals which has been capitalized temporarily may be written off to revenue over a period of years, say five to seven, unless it is intended to hand over the institute to private management earlier, in which case the amount may be taken in reduction of the Capital account.

3. *Paragraph 6—Production Account.*—(i) This account includes rent on account of premises in the Wallajah Road. Reference is invited to the suggestion made in paragraph 3 of this office endorsement, No. Try. P.A. 4-275, dated the 11th August 1924, regarding the present location of the Ink factory at the Wallajah Road.

(ii) In the circumstances reported by the Director of Industries, there does not appear to be any strong objection for removing the debit for leave contribution from the Production account especially as the accounts of the institute have not yet been brought under the scope of Chapter 2 of the Account Code.

(iii) The auditors observe that the "receipts and payments have been completely audited by the Accountant-General". The audit that is applied by this office in respect of the Ink factory transactions is on the same lines as those for other Government offices or departments. No audit is therefore conducted at all in respect of the receipts. All that this office does is merely to adjust the value of supplies to other Government departments (e.g., the Superintendent of Stationery) at the rates claimed by the institute. The audit of expenditure also is restricted in its scope and character being done in accordance with the rules in articles 130 and 131 of the Audit Code.

The audit of contingent expenditure is to a large extent based on certificates of stock received and this office seldom gets the original invoices and sub-vouchers of above Rs. 25 only are sent to this office as per article 104 (a) of the Civil Account Code, Volume I. It is essential that the auditors should be informed about the existing limitation in the scope of the audit conducted by this office more especially in regard to receipts and stores accounts, in order that they may make arrangements for supplementing it to the extent required under ordinary commercial accountancy practice.

*

*

*

*

M. SUBRAHMANYAM,

Deputy Accountant-General.

To the Secretary to Government, Development Department

3rd February 1925]

Order—No. 2063, Development, dated 3rd December 1924.

Recorded.

2. The sum of Rs. 5,167-11-1 shown under 'Preliminary expenses' on the assets side of the Balance sheets should be written off against the Government capital in the accounts for 1924-25. The expenditure, if any, incurred on experiments either in 1924-25 or thereafter should be debited in the Profit and Loss statement of the year concerned.

3. The Government agree that a sum of Rs. 250 out of the Director's pay would be an adequate debit in the accounts on account of 'Direction charges' and that the debit on account of 'contribution for leave allowance' should be limited to permanent Government servants employed.

4. The attention of Messrs. Fraser & Ross is invited to the Accountant-General's remarks in his endorsement read above regarding the limitations in the scope of the audit conducted by his office and they are requested to make suitable arrangements for supplementing it to the extent required under the commercial accountancy practice.

*

*

*

*

(By order of the Government, Ministry of Development)

G. T. H. BRACKEN,
Secretary to Government.

To the Secretary, Legislative Council offices (for placing the Government Order on the Council Table),
Editors' Table.

(6)

[Vide item IX (6) Communications to the Council at page 45 supra.]

G.O. No. 2131, Development, dated 15th December 1924

READ—the following papers :—

I

Letter from E. F. THOMAS, Esq., C.I.E., I.C.S., Director of Industries, to the Secretary to Government, Development Department (through the Accountant-General), dated Madras, the 11th October 1924, No. 329-E/24.

I have the honour to forward herewith the balance sheet of the Fruit-Preserving Institute, Coonoor, for the quarter ending the 30th June 1924, together with copies of the letter, dated the 30th

[3rd February 1925]

August 1924, from the Lady Manager, Fruit-Preserving Institute, to Messrs. Fraser & Ross and of the letter to me, dated the 2nd October 1924, from Messrs. Fraser & Ross.

2. The working of the Institute for the quarter under review has resulted in a loss of Rs. 6,066-1-4 in spite of the fact that the sales have increased to 4,580 lb. per month as at the 30th of June 1924 from approximately 2,500 lb. as at 31st March 1924. The average selling price per pound which is 8.30 annas is determined by the price of imported jams in the market. The production cost all in is 25.16 annas. As I remarked before, I see little or no prospect of bridging the gap between selling price and cost of production.

ENCLOSURE.

Letter from Messrs. FRASER & ROSS, Chartered Accountants, Commercial Accountants and Auditors to the Government of Madras, to the Director of Industries, dated Madras, the 26th August 1924.

[Government Fruit-Preserving Institute]

We have the honour to enclose herewith the Balance sheet of the above institute as at 30th June 1924 together with a profit and loss account for the quarter ending same date for your information.

We give below the experimental charges account with additions during the period :—

	RS.	A.	P.	RS.	A.	P.
Balance as per Balance sheet as at 31st March 1924.			....	4,819	13	10
One-third Manager's salary	450	0	0			
Opening stock of experimental jams as on 1st April 1924.	70	0	0			
Value of tin plates spoiled while making containers in the new can-making plant.	116	10	0			
Labour spent thereon	78	0	0			
Old containers found to be leaking ..	382	2	0			
				1,096	12	0
				5,916	9	10
Less—Sale of experimental jams				87	8	0
				5,829	1	10

We do not propose to submit a detailed report each quarter, as it will delay submission of the accounts and will give such a report only once a year as at 31st of March.

SUB-ENCLOSURES.

GOVERNMENT FRUIT-PRESERVING INSTITUTE, COONOOR.

Balance sheet as at 30th June 1924.

CAPITAL AND LIABILITIES.				PROPERTY AND ASSETS.			
	RS.	A.	P.		RS.	A.	P.
Capital—				Fixed Capital Expenditure —			
Government of Madras—				Land—			
Balance as per Balance sheet as at 31st March 1924.	1,26,478	5	2	As per Balance sheet as at 31st March 1924..	..	9,280	12 9
Add—Withdrawals through contingent bills.	10,203	12	11	Buildings—			
	1,36,682	2	1	As per Balance sheet as at 31st March 1924..	45,343	12	2
Less—Remittances into treasury.	5,601	2	9	Add—Additions during the period ..	12	0	0
	1,31,180	15	4		45,355	12	2
Add—Reserve for expenses—				Less—Depreciation to date	3,042	12	2
Interest on capital ..	10,209	8	0		42,313	0	0
Direction charges ..	825	0	0	Plant and machinery—			
Audit and organization ..	1,471	10	8	As per Balance sheet as at 31st March 1924..	15,501	13	7
	1,43,487	2	0	Add—Additions during the period ..	12	9	0
Liabilities—				Less—Depreciation to date	15,514	6	7
For expenses	2,755	3	7		2,401	6	7
For customers credit balances.	45	2	3	Office furniture—			
	2,800	5	10	As per Balance sheet as at 31st March 1924..	2,758	15	4
	1,46,287	7	10	Add—Additions during the period ..	41	0	0
					2,799	15	4
				Less—Depreciation to date	265	15	4
					2,534	0	0
				Water-supply—			
				As per Balance sheet as at 31st March 1924..	3,036	15	6
				Less—Depreciation to date	210	15	6
					2,826	0	0
				Road—			
				At original cost	387	14	0
				Less—Depreciation	9	14	0
					378	0	0

3rd February 1925]

APPENDIX

159

GOVERNMENT FRUIT-PRESERVING INSTITUTE, COONOR—*cont.*

Balance sheet as at 30th June 1924—cont.

PROPERTY AND ASSETS—*cont.*

	RS.	A.	A.	RS.	A.	P.
Utensils as per valuation .. .. .	..	..	..	914	11	9
Laboratory as per valuation .. .. .	..	..	..	815	11	0
Library as per valuation! .. .. .	..	..	..	140	10	0
Garden account .. .. .	..	..	..	521	8	0
Preliminary expenses—						
As per Balance sheet as at 31st March 1924..	..	..	..	4,459	3	5
Experimental charges .. .. .	..	..	..	5,829	1	10
Loose tools as per valuation .. .. .	..	..	..	141	12	3
Stores stock at cost .. .. .	..	..	..	6,559	15	8
Stationery stock at cost .. .. .	..	..	..	348	2	3
Stock in trade—						
10,899 lb. at As. 8 per lb. in containers at the factory.	5,449	8	0			
434 lb. at As. 8 per lb. in containers at the Empire Exhibition.	217	0	0	5,666	8	0
Advertisement—Advance prepaid .. .. .	..	..	..	118	0	0
Book debts—Considered good .. .. .	..	..	..	4,037	5	0
Cash and other balances—						
Stamps in hand	184	2	0			
Permanent advance	215	0	0			
Cash in hand	251	7	6			
Profit and Loss account—				650	9	6
As per Balance sheet as at 31st March 1924..	39,573	7	1			
Loss as per Profit and Loss account	6,066	1	4			
				45,639	8	5
				1,46,287	7	10

Examined and found correct.

MADRAS,
26th August 1924.

FRASER & ROSS,
Chartered Accountants, Commercial
Accountants and Auditors to the Government of Madras.

[3rd February 1925]

Profit and Loss Account for the quarter ending 30th June 1924.

	LB.	PER LB. ANNAS.	RS. A. P.	RS. A. P.
To Stock on 1st April 1924 ..	13,900	8	..	6,950 0 0
„ Cost of production—				
Fruits .. ..	..	..	1,789 6 0	
Sugar .. ..	..	..	1,392 5 0	
Other raw materials ..	..	..	9 15 6	
Sundry stores .. ..	..	..	1,060 2 11	
Containers .. ..	..	..	427 2 8	
Fuel .. ..	..	..	219 4 2	
Wages .. ..	..	..	625 6 0	
Petty .. ..	..	..	30 11 0	
„ Office expenses—	11,049	8·04		5,554 5 3
Manager's pay .. ..	..	..	900 0 0	
Staff salaries .. ..	..	..	1,721 13 7	
Advertisement .. ..	..	..	859 9 0	
Packing and transport ..	..	..	114 10 0	
Printing and stationery ..	..	..	134 8 8	
Postages and telegrams ..	..	..	83 11 6	
Samples .. ..	..	..	17 8 0	
Sundry expenses .. ..	..	..	1 2 0	
„ Other expenses—		5·55		3,832 14 9
Rates and taxes .. ..	..	..	123 4 0	
Repairs and renewals ..	..	..	9 0 0	
Loose tools, laboratory, utensils, library and road, etc., written off.	..	..	154 9 3	
Interest on fixed assets ..	..	..	1,174 0 0	
Direction charges .. ..	..	..	125 0 0	
Audit fee reserved .. ..	..	..	150 0 0	
„ Depreciation—		2·51		1,735 13 3
On Buildings at 3 per cent ..	..	..	340 12 2	
On Plant and machinery at 7 per cent.	..	..	271 6 7	
On Water-supply at 10 per cent.	..	..	81 15 6	
On Furniture at 5 per cent ..	..	..	34 5 4	
		1·06		728 7 7
	24,949	25·16		18,801 8 10

	LB.	PER LB. ANNAS.	RS. A. P.
By Sales—			
In April 1924 .. ..	..	..	3,364
In May 1924 .. ..	..	..	3,875
In June 1924 .. ..	..	..	6,371
			13,610
Less—Returns .. ..	..	..	55
	13,555	8·30	7,038 7 6
„ Samples and tests	61		
„ Stock	11,333	8·00	30 8 0
„ Loss .. ..	..	8·86	5,666 8 0
			6,066 1 4
Note.—			
Cost per pound as per Profit and Loss account.	..	..	Rs. 1 9·16
Less—			
Cost per pound of open- ing stock.	..	..	0 8·00
			1 1·16
	24,949	25·16	18,801 8 10

3rd February 1925]

APPENDIX

[3rd February 1925]

II

*Endorsement by the Accountant-General, No. Nilg. 15-327, dated
Fort St. George, the 30th October 1924.*

Forwarded.

2. The withdrawals through contingent bills noted in the balance sheet have been verified and agreed with the books of this office.

3. The production cost in the quarter was Rs. 1 1.16 annas per pound and not 25.16 annas as stated in the Director of Industries' letter.

4. With reference to the remarks of the auditors that they do not propose to submit any report for each quarter but intend only to make up a statement of accounts, reserving the report for the end of the year, attention is invited to G.O. No. 27, Development, dated 3rd January 1924, in which the remarks of the auditors on each quarter's accounts were considered useful to enable heads of departments to devise measures to reduce cost of production or to endeavour as far as possible to minimise loss at the end of the year.

M. SUBRAHMANYAM,
Deputy Accountant-General.

To the Secretary to Government, Development Department.

Order—No. 2131, Development, dated 15th December 1924.

Recorded.

2. With reference to the concluding sentence of their report, the attention of Messrs. Fraser & Ross is invited to G.O. No. 27, dated 3rd January 1924, and they are requested to continue to offer their remarks on the financial position of the concern when submitting the quarterly audit reports.

(By order of the Government, Ministry of Development.)

G. T. H. BRACKEN,
Secretary to Government.

To the Director of Industries.
,, the Accountant-General.
,, the Finance Department.
,, Messrs. Fraser & Ross.
,, the Auditor-General (with C.L.).
,, the Secretary, Legislative Council Office, for placing in the Council Table